H.R. 3001—TO AMEND TITLE 38 WITH RESPECT TO THE MONTGOMERY GI BILL

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

AUGUST 6, 1987

Printed for the use of the Committee on Veterans' Affairs

Serial No. 100–25

U.S. GOVERNMENT PRINTING OFFICE
77-408 ·· WASHINGTON : 1987

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H761-28

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H.R. 3001—TO AMEND TITLE 38 WITH RESPECT TO THE MONTGOMERY GI BILL

Thursday, August 6, 1987

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Smith of New Jersey, Ridge, Montgomery, Jontz, Evans, Kaptur, and Kennedy.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. DOWDY. Good morning. We will call the hearing of the Subcommittee on Education, Training, and Employment to order.

We thank all of your for your attendance and participation. We are expecting other members of the subcommittee to arrive as the hearing proceeds.

This will be the first in a series of hearings we will be holding to discuss issues related to the Montgomery GI Bill, which now, thanks to the hard work of most of you in this room, is a permanent program.

The subcommittee is meeting today to review H.R. 3001, a bill which would provide a death benefit to certain survivors of an individual who is participating in the Montgomery GI Bill who dies while on active duty. The amount of this benefit, which would be paid, under the terms of the legislation, by the Veterans' Adminstration, would be equal to the amount by which the service member's basic pay was reduced under the provisions of the Montgomery GI Bill. This benefit would be restricted to those who have used none of their educational assistance benefit, and would be retroactive to those who participated in the Montgomery GI Bill since its implementation on July 1, 1985.

First I want to stress that our newest GI bill is not a contributory program, and the services make this clear to recruits when they explain the provisions of the program to them.

Montgomery GI Bill participants agree to a lower rate of pay than those not enrolled in the program, and they are taxed only on the reduced level of basic pay. Additionally, all GI bill participants freely and knowingly sign documents indicating that they understand that there is no refund, under any circumstance, of the re-

ductions in their basic pay. It is also important to keep in mind that the Montgomery GI Bill was established for the peacetime All Volunteer Armed Forces and, as a result, requires a bigger investment on the part of the participant than the programs provided during times of war.

Nevertheless, the death of an active duty participant presents us with what many consider to be a unique circumstance which deserves exceptional action on the part of our Government. In view of the immeasurable loss suffered by a family and loved ones when a service member dies, and because there is no possibility that the individual for whom the education program was designed will use the benefit, many believe it would be a humane and compassionate gesture to provide the death benefit described in H.R. 3001 to certain of the service members's survivors.

Since the end of the war in Vietnam, our Nation has thankfully enjoyed an extended period of peace. In recent years, however, we've been reminded how fragile peace can be and how costly it can be to maintain peace.

The tragic loss of hundreds of Marines in Beirut shocked and deeply affected us all, as did the recent deaths of over 30 sailors on the *Stark*. The risks and stress associated with military service today are abundantly clear. Accordingly, it has been suggested that the establishment of a death benefit for active duty Montgomery GI Bill participants is appropriate, and I look forward to hearing the views of our witnesses.

Mr. DOWDY. Before we proceed to our first witness I want to recognize my friend, the distinguished ranking minority member of the subcommittee, the Honorable Chris Smith of New Jersey, for his opening remarks.

OPENING STATEMENT OF HON. CHRISTOPHER SMITH

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

First of all I would like to commend you for your initiative in calling for this hearing and introducing H.R. 3001, a bill to provide a death benefit reimbursement for survivors of the Montgomery GI Bill participants who die while on active duty.

Mr. Chairman, earlier this year the members of the Veterans' Affairs committee joined in a bipartisan effort to support Chairman Montgomery by unanimously voting to make permanent the New GI Bill educational assistance program. The program is met with the overwhelming enthusiasm of veterans' groups and the Armed Forces alike. Its success and popularity notwithstanding, I believe the GI bill is in need of some reform in order to suit the special needs of today's recruits and their families.

I welcome this opportunity to hear the testimonies of groups and individuals here today who have had the opportunity to participate in, or to learn first-hand of the program.

Mr. Chairman, I strongly support your efforts to provide for an inclusion of a death benefit in the Montgomery GI Bill. When a recruit's life is tragically and unexpectedly ended we are faced with a situation in which an individual who willingly agreed to reduce his pay during active duty, can no longer benefit from a program in which he agreed to participation. It is only fitting that the recruit's

survivor or survivors be entitled to the death benefit described in your legislation, H.R. 3001.

Mr. Chairman, because I share your commitment to strengthen the GI educational assistance program I am introducing legislation later on today which will make the GI bill a more attractive and workable plan for the recruit. Under this legislation transferability of the educational benefit to a participant's spouse or dependent would apply under certain conditions, including death of the participant.

Also, the consideration period for a recruit's decision to participate in the program would be extended, and the recruit may decide to reduce his pay by $50 over a 24-month period rather than the $100 over a 12-month period of time.

Mr. Chairman, I believe that our subcommittee can work together in a very bipartisan way to develop a strong reform bill designed to suit the needs of our recruits while maintaining the strength of the existing program.

I look forward to hearing the testimonies of our witnesses and to consider their views on the GI bill reform.

Mr. Chairman, I would like to also ask that a statement by the distinguished ranking member of the full committee, Mr. Solomon, be included in the record.

Mr. DOWDY. Without objection, so ordered.

[The statement of Congressman Solomon appears on p. 31.]

Mr. SMITH of New Jersey. And I would like to take this opportunity, also, to welcome to the committee staff, the minority staff, Gale Griffin, who is on our staff and is right over here to my right. We welcome Gale to the committee.

Mr. DOWDY. Thank you very much, Chris.

I recognize our colleague and friend from the State of Illinois, who also is chairman of the Subcommittee on Oversight and Investigation, Lane Evans.

Mr. EVANS. Thank you, Mr. Chairman.

Just very briefly, I'm pleased to join with our bipartisan leadership on this legislation. It is needed, and we salute both of you for working together to make it happen.

Mr. DOWDY. Thank you, Lane.

Next, I recognize our colleague from the State of Ohio, Marcy Kaptur, who is also the chairwoman on the Subcommittee on Housing and Memorial Affairs. Marcy?

Miss KAPTUR. Yes, I also want to commend the Chair and the ranking minority member for quickly moving on this legislation. I think that the GI bill has been so well received, and I think it's wonderful that you're trying to perfect it at this early time. You certainly have my support. We look forward to moving the bill quickly.

Thank you.

Mr. DOWDY. Thank you very much.

Another colleague who's been very active in all matters here on the Veterans' Committee, a good friend, Jim Jontz from Indiana. Jim?

Mr. JONTZ. Thank you, Mr. Chairman.

Let me associate myself with the remarks of my colleagues this morning in appreciation for your leadership.

Thank you.

Mr. DOWDY. All right.

Our first witness today will be Dr. David J. Armor, who is Principal Deputy Assistant Secretary of Defense for Force Management and Personnel. Dr. Armor must appear in another hearing this morning, so we have adjusted our schedule to allow Dr. Armor to appear first.

Dr. Armor, if you would please proceed with your testimony.

STATEMENT OF DR. DAVID J. ARMOR, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL, U.S. DEPARTMENT OF DEFENSE

Dr. ARMOR. Thank you, and good morning, Mr. Chairman.

It certainly is a privilege for me to appear this morning before this committee which has done so very much over the years for our American service members. The men and women of the Armed Forces are the backbone of our Nation's defense structure, and I know that they're grateful to this committee for ensuring their fair treatment.

The Montgomery GI Bill, at this time, is being perceived as an excellent program by service members. The monthly enrollment rates are steadily increasing, especially in the Army. This program will prove to be of great value to the Nation, the Services, and the individuals who participate.

You have requested that I comment today on the Department's position with respect to providing a death benefit payment to the survivors of participants in the Montgomery GI Bill who die on active duty, as provided in H.R. 3001.

The Department shares this committee's great concern for the welfare of our service members. As these patriotic citizens risk their lives in defense of the Nation it's our responsibility to ensure their fair and equitable treatment.

Enrollees in the Montgomery GI Bill program have every intention of pursuing higher education upon completion of their service. Their acceptance of a reduced rate of pay of $1,200 for the opportunity to participate in the Montgomery GI Bill program, combined with no refund provision, clearly demonstrates this intention.

Equally, it is the intent of the Congress and the Department of Defense that service member enrollees in the program receive their earned educational benefits. It's the Department's position that in the event of death of any individual who was serving on active duty at the time of death whose basic pay has been reduced by enrollment in the bill and who has not received any educational benefits under this program, that a death benefit in the amount of the basic pay reduction should be paid to that individual's survivors.

The clear examples, sadly and recently, are three crew members of the U.S.S. *Stark* who were enrolled in the program and died on May 17, 1987, in the Persian Gulf. It is the Department's position that these service members were fully meeting their part of the program's requirements, and it is equitable and proper, and indeed essential, that the Government provide this death benefit to their survivors.

This concludes my prepared statement, Mr. Chairman. Thank you, again, for this opportunity. I'll be very happy to respond to any questions.

[The prepared statement of Dr. Armor appears on p. 32.]

Mr. DOWDY. Thank you very much, Dr. Armor.

Your testimony expresses strong support for the proposed legislation, H.R. 3001. Can we assume, then, that the Department of Defense is happy to have the Veterans' Administration Administrator and fund this benefit as proposed in the legislation?

Dr. ARMOR. We certainly are.

Mr. DOWDY. All right. Mr. Smith?

Mr. SMITH of New Jersey. I really don't have too many questions; I think this issue is very much of a cut and dried issue, but just since you raised the issue of the three crew members of the U.S.S. *Stark*, is there any provision now, or do you have the authority to provide the death benefit now to them absent this legislation?

Dr. ARMOR. No, we do not. It would require this legislation to do so, and that's, of course, one of our reason for supporting H.R. 3001.

Mr. SMITH of New Jersey. If this were to be passed and signed into law expeditiously would they, then, be eligible, or would they—

Dr. ARMOR. Yes. I'm not certain of what the grandfathering is for the future, but we would certainly request that all past, present, and future participants in the Montgomery GI Bill be eligible for the death benefit.

Mr. SMITH of New Jersey. I certainly hope that it would be also, and that would be the clear intent of at least this member, and I'm sure the full committee.

Thank you, Dr. Armor.

Dr. ARMOR. Thank you.

Mr. DOWDY. Thank you Mr. Smith.

Mr. Evans?

Mr. EVANS. No questions, Mr. Chairman.

Mr. DOWDY. Miss Kaptur.

Miss KAPTUR. No questions.

Mr. DOWDY. Mr. Jontz?

Mr. JONTZ. I would like to ask a question, and perhaps this legislation could also be directed to you, Mr. Chairman, as author of the bill. I wonder, Dr. Armor, whether you have given any thought to the alternative of making the education benefits for which the serviceman or woman was entitled transferrable at the option of the survivor to that survivor if they would choose to have those education benefits rather than the death benefit.

Dr. ARMOR. Well, are you talking about a transferability upon death of the active member? Or are you talking about—

Mr. JONTZ. Yes.

Dr. ARMOR (Continuing). Some other transfer eligibility?

Mr. JONTZ. No. Just with regard to the population that's the subject of this bill, that is to say the categories—and I think it would primarily be surviving spouse or surviving children. It would seem to me that the serviceman has earned the education benefits, and whereas if the—

Dr. ARMOR. Oh, other than the reduced pay? I see. It's the benefit itself and not just—

Mr. JONTZ. Yes, in place of. I would think that we would be doing most for the survivor if we gave the survivor the option of choosing either the benefits in the form of death benefits that this legislation would establish, or the education benefits that have been earned by the serviceman.

Dr. ARMOR. Well, we don't have a position on that right now. I think we have been discussing, and will continue to discuss with you and other members, technical changes. I think that one is a bit broader than the spirit, I think, with which the original bill was passed. So we'd want to study it very carefully before commenting or taking a position on it.

Mr. JONTZ. Thank you.

Mr. DOWDY. Let me ask, Dr. Armor, if you would briefly discuss the provisions of Chapter 35, Title 38. Do we not now have in present law certain provisions for the surviving children and spouses of service members?

Dr. ARMOR. Yes, we do, but not for this particular benefit.

Mr. DOWDY. All right.

Thank you, Mr. Jontz.

Mr. Kennedy?

Mr. KENNEDY. No questions.

Mr. DOWDY. Mr. Ridge?

Mr. RIDGE. No questions.

Mr. DOWDY. All right. Thank you very much, Dr. Armor, for your presence and assistance this morning.

Dr. ARMOR. Thank you very much.

Mr. DOWDY. Our next panel of witnesses include Dr. Dennis R. Wyant, who is the Director of Vocational Rehabilitation and Education Service with the Veterans' Administration; and Mr. Dean E. Gallin, the Deputy Assistant General Counsel with the Veterans' Administration.

Dr. Wyant and Mr. Gallin have testified before the subcommittee on previous occasions and have been very helpful. We thank both of you, again, for your presence and assistance this morning and ask that you proceed.

Dr. Wyant?

STATEMENT OF DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICES, VETERANS' ADMINISTRATION, ACCOMPANIED BY DEAN E. GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL

Mr. WYANT. Thank you Mr. Chairman and members of the committee. We'd like to submit our testimony in the record in support of H.R. 3001, and with your permission I'd like to give an even shorter summary.

Mr. DOWDY. All right.

Mr. WYANT. Mr. Chairman, we support H.R. 3001 for death benefits to those killed on active duty. In the past VA has been present, whether it was for Lebanon or on the *Stark*, or those individual incidents that don't make media attention. We feel at the VA that we are capable, as we have in the past, of running these programs, and we give you 100 percent support.

We'd be glad to answer any questions that you or members of the committee have.

[The prepared statement of Dr. Wyant appears on p. 35.]

Mr. DOWDY. Thank you, Dr. Wyant.

Mr. Gallin?

Mr. GALLIN. I have no further statement at this time, Mr. Chairman.

Mr. DOWDY. All right. Fine.

Mr. Smith?

Mr. SMITH of New Jersey. You could verify: since the New GI Bill was put into effect, or when it was still a pilot program, how many men are we talking about? Is the number approximately 200?

Mr. WYANT. That's correct.

Mr. SMITH of New Jersey. Just so the record is clear on that.

Mr. DOWDY. Mr. Evans?

Mr. EVANS. No questions.

Mr. DOWDY. Miss Kaptur.

Mr. KENNEDY. No questions.

Mr. DOWDY. Mr. Jontz?

Mr. JONTZ. Mr. Chairman, I would like to ask Dr. Wyant and Mr. Gallin the same question. What would be the position of the Veterans' Administration on giving the option to the survivor to choose either the death benefits that this legislation would confer or the education benefits which the serviceman had earned.

Mr. WYANT. Yes, sir. We do have Chapter 35, which does pay a greater benefit. It pays $376 a month, and it is for a term of 45 months. There were some 48,000 spouses and dependents in that program in fiscal year 1986.

Mr. JONTZ. Would there be—perhaps you could answer this question: how would a surviving spouse enter that program?

Mr. WYANT. From the time of death they would have 10 years to sign up for the program, and through the Veterans' Administration they would file an application. We can provide some academic and vocational counseling to either the spouses or dependents and assist them in getting into a program whether it be at an institution of higher learning, on the job training program, or technical-type schools.

Mr. JONTZ. And what are the benefits again?

Mr. WYANT. Up to 45 months at $376 a month, if my memory serves me correctly on this.

Mr. JONTZ. As much as $376 a month which could be $4,000-some dollars a year. Do you foresee any circumstances where a surviving spouse would find it beneficial to have not only the education benefits that you have described they would now be eligible for under existing law, but also the education benefits which the serviceman had earned?

We know how high the cost of education is today. We know, for instance, that the benefits under the GI bill, as substantial as they are, nonetheless do not always meet the entire cost, or even a significant portion of the cost, of pursuing higher education. And if, even in a handful of cases, the surviving spouse would find it beneficial to have both benefits, would it not be wise to give that surviving spouse the choice?

Mr. WYANT. Under current law, as you know, a person cannot use two programs at the same time. The VA does not have a position on the particular question that you asked. I could surmise what our position would be. Not being told—

Mr. JONTZ. I have a question, if I might.

Mr. WYANT. I'm sorry.

Mr. JONTZ. What about the alternative of making those education benefits available to a child? Do children now qualify under that other provision?

Mr. WYANT. That's right. Generally, after they reach the age of 18 through—I think it's 26—they have up to 10 years to use those same 45 months.

Mr. JONTZ. All children?

Mr. WYANT. That's correct.

Mr. JONTZ. Thank you.

Mr. DOWDY. Mr. Kennedy?

Mr. KENNEDY. No questions.

Mr. DOWDY. Mr. Ridge?

Mr. RIDGE. We're very, very pleased to have present a fellow whose name has been mentioned a few times this morning in conjunction with the GI bill, our friend Sonny Montgomery, Mr. Chairman.

Mr. MONTGOMERY. Thank you, Mr. Chairman. Maybe we can do that over. I'm sorry I'm late, but we are proud of the GI bill, and everyone in this room—especially our witnesses and people in the audience and my colleagues—certainly played a major part in getting the GI bill as permanent legislation. We're on the right track, Mr. Chairman. Let's take a look at it. Let's take a cautious, slow look and see what needs to be done, and what needs not to be done. I appreciate you having this hearing that looks at the problem of those who lose their life but have taken the GI educational program.

I want to thank Dr. Wyant and Mr. Gallin for their cooperation and for helping us on the GI bill. You'll have problems dealing with educational facilities as well as the regional offices, and certainly we want to hear from you and try to make the program work well and be as efficient as possible.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Chairman.

No other questions to be directed, then, to Dr. Wyant or Mr. Gallin. We want to thank you, again. You've been very helpful in times past with the committee, and we thank you, again, this morning.

Mr. WYANT. Thank you.

Mr. GALLIN. Thank you.

Mr. DOWDY. Our next panel will include the military personnel chiefs. We are pleased to have Gen. Allen K. Ono, who is Deputy Chief of Staff for Personnel with the U.S. Army; Rear Adm. S. Chadwick, Acting Chief of Naval Personnel with the U.S. Navy; Gen. Thomas J. Hickey, Deputy Chief of Staff for Personnel with the U.S. Air Force; Gen. F. E. Sisley, the Assistant Deputy Chief of Staff for Training with the U.S. Marine Corps; and Adm. Thomas T. Matteson, Chief of Personnel with the U.S. Coast Guard.

Mr. SMITH of New Jersey. Mr. Chairman. I regret that I am going to have to leave. I have to attend a markup on two foreign policy initiatives that I am very closely and intricately involved with, but I do want to indicate to the distinguished panel that, again, I very strongly support this initiative and you're most welcome before the committee, and I'll read the testimony.

Thank you.

Mr. DOWDY. Thank you very much, Chris.

We thank each of you for your attendance this morning, and we'd ask that you proceed either with a prepared statement or with any comments you may wish to make to the panel in the order in which I first introduced you.

General Ono?

STATEMENT OF LT. GEN. ALLEN K. ONO, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. ARMY

General ONO. I'm General Ono, the Army Personnel Chief, and I thank you very much, Mr. Chairman, for the opportunity to appear before you on behalf of House Resolution 3001, an amendment to the Montgomery GI Bill. The bill before you corrects an inequity for a small group of service members and their families. It will pay a death benefit for the survivors of individuals who have elected to participate in the Montgomery GI Bill and who die while on active duty.

I share the committee's concern for the welfare of the veteran, but also of their survivors. In that regard we fully support this amendment for those service members who die of service-connected causes.

The Montgomery GI Bill has been an overwhelming success in the Army. I was your Army recruiter prior to my coming to this assignment, and I can tell you of the tremendous numbers of young men and women throughout our Nation who are joining our military services because of this incentive.

Since the implementation on 1 July, 1985 through June, 1987, over 77 percent of eligible new active-duty soldiers have elected to participate. The Army's participation rate reached a record high in June of this year with 90 percent—a stunning 90 percent of all eligible assessions electing to participate. Likewise, the GI bill has proven successful in the Reserve components, as well, with over 25,000 participants from the Army National Guard, and over 13,000 in the U.S. Army Reserve.

I understand that this bill that we're discussing does not pertain to the Reserve components, but I wanted to mention that because of the heavy and great reliance that we have with the Reserve components.

So that ends my statement.

Thank you very much.

Mr. DOWDY. Thank you very much, General.

Admiral?

STATEMENT OF REAR ADM. S. CHADWICK, ACTING CHIEF OF NAVAL PERSONNEL, U.S. NAVY

Admiral CHADWICK. Good morning Mr. Chairman and members of the committee.

I'm Steve Chadwick, and it's a privilege to represent the Navy and to appear before this committee today on behalf of my boss and all the people in the Navy. We are pleased to provide testimony on behalf of a death benefit to members participating in the Montgomery GI Bill who die on active duty.

We support the spirit and intent of the Montgomery GI Bill requiring honorable service, and consistent with this we support a death benefit in service-connected cases only. We believe that the high standards required for benefit utilization under this GI bill should be upheld for death benefits, also.

The Navy wholeheartedly supports this legislation, and is particularly pleased that it will be retroactive to 1 July, 1985, thus covering participants who have died on active duty since the inception of the program.

I wish to thank you, sir, for this opportunity to express the Navy's view on this very important issue.

I'll answer any questions that I can, sir.

Mr. DOWDY. Thank you, Admiral Chadwick.

General Hickey?

STATEMENT OF LT. GEN. THOMAS J. HICKEY, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. AIR FORCE

General HICKEY. Yes, Mr. Chairman. I have no prepared remarks, just a couple of comments, and that is I'm very pleased to appear before this committee in support of H.R. 3001, which we think is a very equitable and a very proper adjustment to the New GI Bill, which, again, within the Air Force I have to voice the same opinion as my contemporaries. It has reached widespread acceptance, and it is a wonderful bill, and it's doing great things for the young people that we have coming on active duty.

It also points out, in reviewing this issue of death on active duty, the fact that there are other instances that we feel, within the Air Force, that it is equally proper and equitable for people to be eligible for reimbursement in deaths and other circumstances, or the things which are clearly beyond the control of the individual where they are precluded from participating these benefits, and we would hope that the committee would also look at some of those in the future because we think there are other areas where it would be an equitable and proper thing to return those.

Finally, if I might, sir, it's one extension, just to say that we in the Air Force, without knowing all of the details of the bill which Congressman Smith says that he is going to put on the floor or introduce some time today, that we would probably strongly support those, because the aspects that he's talking about, which have some kinds of transferability and extended payment times, we think are very worthwhile adjustments to the GIB.

Thank you very much for letting me speak.

Mr. DOWDY. Thank you very much.

General Sisley?

STATEMENT OF BRIG. GEN. F. E. SISLEY, ASSISTANT DEPUTY CHIEF OF STAFF FOR TRAINING, U.S. MARINE CORPS

General SISLEY. Thank you, Mr. Chairman.

It's certainly my pleasure to be here today and represent the U.S. Marine Corps.

I have no prepared remarks at this time, but would like to echo what has already been said with regard to the Montgomery Bill and the benefits that it provides to all the Servicemen. It's been highly accepted in the Marine Corps, and the Marine Corps fully supports this amendment to provide a return of the money provided by the Marines to any family member as prescribed in the bill.

I'll answer any particular questions that anybody might have.

Mr. DOWDY. Thank you, General.

Admiral Matteson?

STATEMENT OF REAR ADM. THOMAS T. MATTESON, CHIEF OF PERSONNEL, U.S. COAST GUARD

Admiral MATTESON. Good morning, Mr. Chairman.

It's a privilege, too, for me to be here today to represent the Coast Guard as Chief of the Office of Personnel, and suffice it to say "ditto" for previous speakers.

The Coast Guard very strongly supports this amendment, and we feel that such a clause in the bill would increase the security, certainly, and the morale of our members. We, too, support the bill very much.

Mr. DOWDY. Thank you very much.

We thank you for your participation this morning.

On Sunday, Monday, and Tuesday of next week this subcommittee will be visiting the Naval Training Center and Marine Recruit Depot in San Diego and with a reserve unit in Arizona to learn more about the day-to-day operation of the Montgomery GI Bill, and we thank all of you for your assistance.

Chairman Montgomery?

Mr. MONTGOMERY. Let others go first—I did not wish to question, yet.

Mr. DOWDY. All right. Let me ask each of you: how many Montgomery GI Bill participants have died in your service since July 1, 1985, the date the GI bill was implemented? And could you give us some estimate of such deaths that we might reasonably anticipate in future years? We'll start with General Ono. You respond first.

General ONO. We've had 117, sir, for the period 1 July, 1985, to 31 March, 1987. That includes a tremendously large number who died in the Gander air crash, and so, therefore, it is distorted in our minds.

We feel that over an extended period it would average, because of the larger number of GI bill takers, it will average somewhere around 300 per year.

Mr. DOWDY. All right.

Admiral Chadwick?

Admiral CHADWICK. Yes, sir. We've had 43 die, and that included the men in *Stark*, since the inception of the bill. By nature of the Navy's business, and the fact that we put men in ships at risk, we

don't count on any more events like *Stark*, but I would say that our rate would hopefully be somewhere no more than 50 a year.

Mr. DOWDY. General Hickey?

General HICKEY. Yes, sir. We've had 27 deaths, so far, among participants. We have had no unusual circumstances, as perhaps the Army's had. We think that that probably is a fairly accurate peacetime rate in terms of percentage of the participants that pass away. As that population gets larger, then, we would expect the numbers to go up proportionately, so somewhere on the order of 50 or 60 per year.

Mr. DOWDY. General Sisley?

General SISLEY. Yes, sir. We had 197 deaths last year, of which 21 of those were participants in the GI bill. I anticipate that of the approximately 200 deaths that occur on active duty each year, we're going to have upwards of 80 deaths as GI bill participants as our participation percentage increases.

Mr. DOWDY. And Admiral?

Admiral MATTESON. Mr. Chairman, the Coast Guard had 59 deaths since July the 1st, 1985, and the precise number of those that are participants I'm not sure. But based on our participation and the number of deaths that we've had in the past I would estimate about 15 per year for the Coast Guard in the future.

Mr. DOWDY. All right.

Mr. Evans?

Mr. EVANS. No questions.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. Mr. Chairman, I do have some questions for the panel, but with your indulgence I might take just half a minute to inform you and my other colleagues on this panel, as well as the panel, and the audience, that I, too, as our colleague Mr. Smith of New Jersey, have been working on some legislation relating to some improvements in the GI bill which will be filed today or in September, and I was not present for Mr. Smith of New Jersey's comments this morning and don't know all the details of his bill, but I do know there are some differences between the two, and I say that to inform the panel members that though I will make every effort to circulate that legislation for comment, and appreciate the interest expressed.

I do want to ask this question to the panel members: am I correct in believing that in one or more branches of the Service there are now some educational benefits which are offered to active Servicemen in addition to the GI bill. Is that correct?

General HICKEY. Yes, sir.

Mr. JONTZ. And there are several reasons for that, but one of the reasons is that the GI bill, by itself, does not always pay for all of the cost of various educational pursuits that Servicemen or retired Servicemen might wish to pursue; is that correct?

General HICKEY. Also true.

Mr. JONTZ. Well then let me ask you this question. I'm not sure I understand the extent of the education benefits that Dr. Wyant and Mr. Gallin mentioned that are now available to survivors, but would you have an opinion as to whether any of the survivors would choose, if given the choice, to receive the education benefits under the GI bill that the deceased serviceman had earned in place

of the death benefit? Do you think there would be any cases where a survivor might make that choice?

General ONO. I'm General Ono. Let me respond to that. From my understanding, if it is a choice between the benefits found in Chapter 35 of Title 38, and the basic Montgomery GI Bill, I believe that the benefits found in Chapter 35, Title 38 is more generous than what is in the GI bill.

Mr. JONTZ. My question is this: Would there be circumstances where both benefits together might be an alternative that the survivor would prefer rather than the benefits under Chapter 35?

General ONO. It's Chapter 35.

Mr. JONTZ. Chapter 35—and the death benefits.

General ONO. Of course it would be a larger benefit package. The Army does not have a position on that matter. As Dr. Armor testified, it is something that requires some study by the department before a position is stated.

Mr. JONTZ. Thank you.

General HICKEY. I take your same position in the Air Force, Congressman, because there may be a—you say is there a condition under which this would be a good supplement or an alternative, and there very well may be. I'm not familiar with what it might be, but I'm not an expert on either of those. It could be that title 35 would do very well to get an undergraduate degree for a dependent, for instance, for a son or a daughter, and then the GI bill, if it was transferred, may be useful for an advanced degree under those kind of circumstances. So there are some places where it would be very worthwhile. I'm just not sure.

Mr. JONTZ. Thank you.

General SISLEY. I might just add that if the answer to your question is, in fact, yes, I would not want to close out that alternative. If you examine the issue and find that those circumstances exist, I think that you would not want to close out the dependent to any beneficial alternative.

Admiral MATTESON. I would certainly agree, and not having the bill to review it's difficult to comment other than to say there seems to be a need to define "survivor" and "dependent." Certainly some benefits might accrue to a survivor if it was properly defined, you might say, that wouldn't accrue to a dependent.

Mr. JONTZ. My time has expired, but I appreciate those comments and want to make clear that my concern is only that we make the choice available if there are circumstances where the beneficiary might choose that alternative. I appreciate your comments.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you, Mr. Jontz.

Mr. Kennedy?

Mr. KENNEDY. No questions.

Mr. DOWDY. Mr. Chairman?

Mr. MONTGOMERY. Thank you, Mr. Chairman. I'd like to thank our military panel for being here this morning. You deal in personnel, and personnel is really the number one factor. I've heard you say you can have all of the best weapon systems, but if you don't have the personnel to operate it and do the job then our military is not strong.

I would hope that you would continue to push the GI bill, which you are doing now, and when it needs updating, needs improvement, let us know. It is permanent legislation, and we certainly want to make it work.

The Army figures are astounding, with congratulations, General. The Congressional Budget Office estimated—I believe I'm correct in this—that the GI bill would be used by about 13 percent of military personnel and now just in the Army it's being used at 70 percent, and the Marine Corps, you've picked a goal and you've moved ahead, and we appreciate what the Coast Guard has done. General Hickey, I hear you're implementing more to the recruiters, as well as the Navy. I think only recently you sent out a strongly worded communication from the Secretary of the Navy that you certainly want to push harder for the GI bill.

We designed the bill to help these young men and women who come in the service, and we designed it so that they have to opt out of the program. We want them to get an education. We want them to improve themselves in later life, and that's the whole purpose of the GI bill. Plus it's now going to the Reserve and National Guard, and it's working well.

To follow up on the gentleman from Indiana, Jim Jontz, what he was talking about: he's been very active in drawing up a bill, and I certainly hope he will introduce it, and I know that the chairman of this subcommittee will follow up and will have hearings at a later date.

It's not quite clear, I think, to committee members—and I'd like to make several points, such as on the tuition assistance. In several of the services when we went to where the GI bill was explained to the recruits by the sergeants, warrant officers, or civilians, how it worked, there was some impression given—and you've heard me say this before—to the young men and women that under tuition assistance, which is in-house and funded by the military services, is optional. It seemed to me the impression was given that an individual could get a bachelor's degree during the first enlistment using tuition assistance. This, of course, is generally not possible.And under the tuition assistance it was kind of given the impression that maybe you can get a college degree by being in the service.

I've talked to each one of you and you generally agree with me that if they can get a college degree while they're three years in the service they probably are not doing their jobs, and I hope it's not designed for that because we want them to do their jobs, want them to get some training, if they can, but then we want them to stay in the service. But if they do get out—and in the Army you have to move them out to bring in younger people—that they will take advantage of the GI bill.

As I understand it you do have some test educational programs that follow-up on Jim's question. Under the law they cannot draw from the tuition assistance, a test program of the GI bill—they can't get double coverage or draw at the same time from both of those educational programs they might sign up for. Am I correct in that? I'm really just asking.

General HICKEY. Yes, sir, that's true. You may only do one program at a time.

Mr. MONTGOMERY. Well, tell me what other programs you've got, for the record, so we'll be a little clearer—on education.

General HICKEY. The Air Force has started, Mr. Chairman, we have advanced degree programs for specific degree requirements of the Air Force. Those are paid for out of appropriated funds through the Air Force as to technology. But those are for a different purpose. They are to fill specific known Air Force advanced degree requirements for weather, meteorology, or advanced electro engineering, astronautical engineering.

Then we have the tuition assistance, which you had already mentioned, and that also is usable on active duty, but it is used for either attainment of courses—passing of individual courses on a night-school basis or a part-time basis, toward an associate degree, or to accumulate some numbers of credits towards a college degree. But they are for, we feel, a different purpose than the GI bill, and we understand the difference between those.

I think that one of your criticisms came after you had a visit to Lackland Air Force Base where we were, in fact, the briefers, and I think we have solved that problem. I reviewed a new film yesterday, as a matter of fact, that Mr. George Karasik, our Action Officer for this process for several years, had the initiative and the good fortune to run into Actor E. Asner, and so Mr. Asner opens this film. It makes a great attention-getter for the young folks, but I think you'll be very pleased with the balance of the film. It, in fact, goes back and proposes the GI bill as a very suitable alternative. The film that I reviewed yesterday starts Monday at Lackland and will be shown to all new recruits from now on.

We did one test program with one room, so it's not a very good statistical analysis, and we had all of the people in that room that had opted out of the program from their initial briefing—and this was a week or so later—and we showed them the film and then asked them how many of them would have stayed in the program had they not gotten it, and we had a 42 percent taken that.

So we still lag behind the other services. We had a 65 percent sign-up rate in July, which is as good as we have ever done from 40 and 50 percentiles, and if this film does its job anywhere near like that we'll be at the 75 or 80 percent rate before long.

Mr. MONTGOMERY. Thank you very much, General.

My time is up. Could you briefly tell of the other programs you have very briefly?

General ONO. We have no other in the Army. The tuition assistance, I think you know, because it's subsidized by appropriated funds, must be specifically related to the military job that the individual is engaged in. So, therefore, it's not a general education type of program.

Mr. MONTGOMERY. Can that individual get the tuition assistance and take that money, and also take the GI bill—

General ONO. No, sir.

Mr. MONTGOMERY.—at the same time?

General ONO. No, sir. Not simultaneous.

Mr. MONTGOMERY. Congratulations on your new job.

General ONO. Thank you. You're looking well, sir.

Admiral CHADWICK. Mr. Chairman, we have a complementary program to the Montgomery GI Bill; it's our Navy Sea College Pro-

gram. It's designed for a young man or a young woman to come in for two years active duty, four years in the Reserves after that, and we think in complements the Montgomery GI Bill very well.

Mr. MONTGOMERY. Thank you.

General SISLEY. Sir, we have the same tuition assistance and set programs, but we do have the enlisted commissioning program, which he leads up from his enlisted status through four years of college and then is commissioned, but has the obligation to remain in the Marine Corp for a period of time after that. That is a form of getting in his college education, but along with it goes his retention in the service, but as a commissioned officer.

The Coast Guard's program, sir, is basically the same as the Air Force's. We have an educational assistance program, which is job-related, and an advanced degree program, which is likewise job-related, in which we send people to post-graduate school to get advanced degrees in the specific areas that we need them.

Mr. MONTGOMERY. Mr. Chairman, I know I've gotten off of the subject of the hearing, but I thought since we had this talent here it would be good to get on the record.

Thank you very much.

Mr. DOWDY. Thank you very much, Chairman Montgomery.

We want to thank each of you for your help. You've been helpful in previous matters before the committee and the subcommittee and we, again, thank you very much for your kind assistance this morning. Thank you, sir.

Mr. DOWDY. Our next panel: we are very pleased to have two of our good friends from the State of Kansas, Congressman Dan Glickman and Congressman Jim Slattery. Dan and Jim have been strong supporters of our Nation's veterans, and they were very, very helpful in the development of the Montgomery GI Bill after it emerged from the committee and went to the floor of the House.

Accompanying Dan is Mr. Michael J. Grady and his daughter Kerry. We would ask that Mr. Grady and Kerry come forward. Mr. Grady is the father of a deceased service member. His son, John, died earlier this year while on active duty with the U.S. Army, and he had chosen to participate in the Montgomery GI Bill. I want Mr. Grady to know that both Mr. Glickman and Mr. Slattery have personally informed me about the situation that Mr. Grady is so interested in. They are very concerned and have been very active on your behalf. From the information they made available to me it's my understanding that John joined the Army because he wanted to finance his own education, and the Montgomery GI Bill would have been the vehicle for his accomplishment of this.

So we want to welcome Congressman Glickman, Congressman Slattery, Mr. Michael J. Grady, and Kerry Grady, and we thank you for your appearance before the subcommittee this morning.

Dan, why don't you lead off.

Mr. GLICKMAN. I'll tell you what. Since Jim is actually their Congressman, why don't we let Jim go first and I'll get back.

Mr. DOWDY. Fine. Congressman Slattery?

STATEMENT OF HON. JIM SLATTERY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. SLATTERY. I thank my distinguished colleague for yielding, and I appreciate very much his interest in this. It's a special pleasure for me to appear before this committee again. Mr. Chairman, it's always good to see you, and I hope you're keeping my seat warm over here. When my exile to the Budget Committee ends I'm looking forward to returning to my duty here. It's really a pleasure to be back.

It's sad, however, that we have come together on this occasion. It's an honor for me to be here with Mike Grady, the father of John Grady; and Kerry Grady, the sister of John Grady. I have to say that I think that what we're attempting to do today is to bring before this committee the fact that there's a fundamental injustice in this existing law that needs to be corrected.

John Grady was a fine young man, and as a soldier developed a very distinguished record, and his military record displays a hallmark of achievement in service and loyalty to this country that I think his family should be proud of and all of us on this committee should be proud of.

Not unlike many young people, he had hopes and dreams for his future. Included in those dreams were plans for his education. In fact, he planned to enter the University of Kansas this Fall.

During John's first year of service in the U.S. Army he contributed $100 every month of his money to the college educational fund, and his paycheck was deducted by that $100 each month. It was his money, going into a fund that he had been promised would be there for him when it came time for him to leave the service and to enter school.

Tragically and unfortunately that time never came for John, and according to the current law the money contributed directly by John remains with the Government. Whether by design or oversight, the New GI Bill makes no provision to return that $1,200 in the event the soldier dies before he or she can use the money for his education.

Mr. Chairman, this is no small amount, especially when that $1,200 per soldier is multiplied by 2,000, an estimate of the number of soldiers who die each year while on active duty. The soldier contribution is somewhere in the neighborhood of $2.4 million, and as a result the Government ends up with that $2.4 million that's contributed by those 2,000 soldiers that are tragically killed on active duty each year.

The U.S. Treasury, in my judgment, should not benefit from the deaths of these soldiers. That is a travesty of justice and we should concentrate on changing the law as expeditiously as possible. It is an inequity created by Congress, and Congress must correct it.

The total benefit earned by the soldier should be transferred to his family. In this instance there's absolutely no reason why this $1,200 should not be made available to his sister when she, for example, enters college later on.

So I'll be very brief and say I appreciate the committee's attention to this. It think that it's just a simple oversight in the drafting of the original legislation. I think the members of the committee

agree with that, at least from the discussions that I've had. I appreciate your interest in this, and I look forward to working with you in trying to correct this because it is just a fundamental question of common sense. If the soldier is contributing his or her money, then that money should be refundable to that soldier's family in the event that that soldier is killed in active service.

So, Mr. Chairman, I again thank you for your attention. It's a pleasure to be here. It's an honor to represent the Grady family, and I deeply appreciate my colleague from Wichita's interest in this case, and I'd be happy to yield to him at this time for any remarks he might have to make.

[The prepared statement of Congressman Slattery appears on p. 37.]

STATEMENT OF HON. DAN GLICKMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS; ACCOMPANIED BY MICHAEL J. GRADY AND KERRY M. GRADY

Mr. GLICKMAN. Thank you, Wayne.

Mr. Chairman, it's a delight to be here, and Jim has stated the case much more eloquently than I could.

I would pass on for your reading afterwards a feature article in the "Topeka Daily Capital" which features this young man, John Grady, and talks about his outstanding military career. I just want to read one thing.

The day of his accident—he was in an auto accident and he died four days later—"He had been decorated with the Army Achievement Medal the day of his accident. His platoon leader would not have traded Grady for any other radio telephone operator or any other driver in the Army. His commanding officer considered Grady to be the best soldier in Alpha Company and a friend" and the story goes on to say what an outstanding young man he was. Just the kind of soldier that we want, who would then go on to school and be a productive citizen in our society.

This story lets you see the human interest side of this story and what John meant to his family. We think that the oversight can be cleared up through corrective legislation of the type that you have proposed.

I would just mention two things that the gentleman's father, Mike Grady, who is here at the end of this table, has pointed out to me that you may want to consider in connection with this bill.

The bill requires, number one, that the individual must have been serving on active duty at the time of such death. It also seems to suggest that if an individual had received partial payment of his benefits, then maybe he'd not be eligible for the rest. Mr. Grady pointed out under the old law, before the Montgomery GI Bill was enacted, 38 U.S.S. 1631 provided that, in the event of a participant's death, the amount of such participant's unused contributions to the fund shall be paid to the living person or persons first listed below—and it gives kind of the heirs and how they're going to be paid. So you may want to consider making sure that that language accurately takes care of the people that you want to take care of and returns the entire contribution that has been placed into an educational fund.

I think that Congressman Slattery has stated the case, and I think that this will be an added, constructive addition to the most beneficial Montgomery GI Bill.

[The prepared statement of Congressman Glickman appears on p. 39.]

Mr. SLATTERY. Let me, if I may, just add another observation about the language that the bill currently before us provides, and that is: it seems to raise a question about what would happen in the event that a soldier completed his tour of active duty, made the individual contributions on a monthly basis or an annual basis, and then separated from the Service and entered school and subsequently died. What would happen then in that instance to the individual soldier's contribution during their term of service? There seems to be some question in this legislation as to that point.

I think we're clarifying one problem, but I think there's another question that is still unanswered, and that is: do we want, in effect, to make sure that the family of a deceased former soldier would be entitled to receive the benefits, even after he or she separated from active duty—if he or she die while attending school, for example.

Again, we're talking about that individual soldier's own money that they have put into the fund. We're not talking about anything in addition to that, that would be matched by the government or anything, we're just saying the individual contribution made by the individual soldier should, as a matter of fundamental fairness, be refundable to the deceased soldier's family, even if he or she had separated from the Service and had died while, say, attending his or her first year of school, and may have three or four years of educational benefits that have accrued.

Mr. DOWDY. I thank both Jim and Dan very much. As I have stated, they have taken a personal interest in the legislation and have spoken with me and with other members of the subcommittee because of their interest, and we thank them.

Mr. Glickman, the newspaper report, without objection, will be included in the proceeding this morning.

[The article appears on p. 43.]

Mr. GLICKMAN. Mr. Chairman, I ask that my entire statement be included, as well.

Mr. DOWDY. The prepared statement has been inserted immediately following your oral presentation.

Mr. Grady, we thank you very much for taking the time to come to Washington. We would welcome very much any input that you would like to make at this time, or your daughter, either of you. We thank you for coming.

Mr. GRADY. Thank you, Mr. Chairman. I didn't realize that we would have an opportunity to address the committee. I'll be very brief.

Mr. DOWDY. Let me interrupt to say, briefly, that counsel has provided me, already, with a letter which you had previously written, Mr. Grady, and without objection we will include that letter, as well as the newspaper article dealing with your son, in the text of the hearing this morning.

[The article appears on p. 47.]

[The letter appears on p. 45.]

Mr. GRADY. I appreciate that. I would add, simply, that today is the day that my son was scheduled to come home from the Army.

In keeping with the comments that Congressman Slattery has made, if he had been killed tomorrow, after discharge from the service, I believe that the same logic should apply, and that the refund provision should be expanded to that extent.

Thank you very much.

Mr. DOWDY. I thank all of you for your testimony.

Chairman Montgomery?

Mr. MONTGOMERY. No questions.

Mr. DOWDY. All right Lane? Mr. Evans?

Mr. EVANS. Mr. Grady, we want to thank you for coming before our committee. We also join your sorrow, because he obviously was a great soldier, a great asset to our country, and we appreciate that continuing service we've had. I think if we want to make these programs more effective that's good for the government, ultimately, because it's going to help us attract and retain model soldiers such as your son, and I just wanted to say that we thank you for bringing this to our attention. I want to thank your Congressman and Congressman Glickman, as well. This is how we make government better, by hearing from individuals that have problems with the way the system is operating.

We're pretty proud of the GI bill, but we think you're suggesting, through your Members in Congress, how we can make this much better. It must be very difficult given that this is the date your son was supposed to return that you'd even be here. So we salute you and your family and thank you very much for coming before us. We'll work to try to rectify this so that it doesn't happen again to other people.

Thank you.

Mr. GRADY. Thank you for the privilege.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. Thank you, Mr. Chairman.

I want to echo Congressman Evan's comments in appreciation to the Gradys and to both the gentlemen from Kansas for their testimony. Let me just suggest again that, at least in my opinion, given the service of John Grady to our country I would think it not only reasonable that we refund to the family—for Kerry's use perhaps—the financial contribution he made; but I would not feel that it would be too much if we were to make available to Kerry the $10,800 of education benefits that John earned. It would not be costing the government any more to make available to Kerry that $10,800 of benefits which her brother earned, and which unfortunately her brother is not going to be able to take advantage of. I would urge that to the committee's attention in crafting the final wording of this legislation as an alternative that would be available for the family of the serviceman.

Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Kennedy?

Mr. KENNEDY. I think my only comments really are directed at Kerry, who is good enough and strong enough to be here today after losing your brother. To come before a Congressional committee and testify about trying to take advantage of the benefits that your brother had accrued is a tough thing to do, but I think it's

also an important thing for you to do: To recognize that although tragedy has hit your family—the best way that you can honor your brother's memory is to pick yourself up and your family up and to go on and do the best you can in this country in order to make this country strong, as your brother was trying to do.

So it just seems that this must be a very tough thing, for not just members of the Grady family here today, but really for all the Gradys, to come here on a day like today when your brother would have come home.

It is an honor to listen to the story of your brother's record, but also it's important, I think, that all of us recognize how tough a thing this must be for you to go through, and the fact that you've been willing to pick yourself up and to go on is a tribute to your inner strength, and I just wanted to pay tribute to that.

Ms. GRADY. Thank you.

Mr. DOWDY. Mr. Chairman.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

To follow up what my colleagues have said to Mr. Grady and to Kerry, you can hear the expressions here this morning that we do care. We want to thank you for the supreme sacrifice that you and your family have made.

I would like to make this suggestion. I know you've been involved in insurance that your son might have had, and burial benefits. If you have any other suggestions down the line, if you'd mention it to Members of Congress who are here today it would give us an opportunity to look into these programs and try to update them and do the best we can for the families when these sadnesses occur.

Thank you, again, for coming today.

To my colleagues here as witnesses, you make some good points. Actually, Jim, I guess you could classify it as an oversight. I have been working on this bill, as you know, since 1981. We didn't have the $100 reduction in the House bill—the $1,200—it was added by my Senate colleagues, and to get the bill through, we had to accept the $1,200 basic pay reduction. This should be corrected, and the Chairman is having this hearing so things will move along and this will be corrected.

We'll also look at the $1,200. There are some pluses to the $1,200, though. We have been told by educators and by military personnel who deal with these young men and women that when young people have money involved in their education, there's more of a tendency for them to go to school and use these benefits, and that's the bottom line. We want them to go to school and make a better life for themselves.

So we will look into the areas that you suggested and see what we can do about it.

Mr. SLATTERY. May I respond to that very briefly?

I really do appreciate the point the gentleman just made, and I think that I support the concept of the individual soldier's contribution to the fund. I guess I strongly believe that after that individual soldier has contributed to the fund that that money continues to be, in effect, his money or her money, and in the event that there is a tragic death, like we have seen with John Grady, that money should be made available to the family, whether that soldier died on active duty or after leaving active service, but before

the individual soldier's money had been used for the educational benefits intended.

Mr. MONTGOMERY. I certainly agree with that statement.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much. We want to thank Dan and Jim and Mr. Grady and Kerry. Thank you for your attendance and your participation and your assistance this morning.

Mr. SLATTERY. Thank you very much.

Mr. GLICKMAN. Thank you very much.

Mr. GRADY. Thank you very much.

Ms. GRADY. Thank you very much.

Mr. DOWDY. Our next panel consists of representatives of military associations and veterans' organizations. We are pleased to welcome Mr. Nelson Fink, who is Legislative Assistant, Directorate of Military and Government with the Air Force Sergeants Association; Col. Edward Smith, U.S. Army (Retired), who is the Director of Membership Services with the Association of the U.S. Army; Mr. Chuck Partridge, Legislative Counsel for the National Association of Uniformed Services; Rear Adm. William G. Sizemore of the U.S. Navy (Retired), the Executive Director of the Navy League of the U.S.; Mr. Dick Johnson, Director of Legislation, Non-Commissioned Officers Association; Col. David J. Passamaneck, who is the National Legislative Director of the AMVETS; and Mr. Gordon Thorson, the Special Assistant, National Legislative Service of the Veterans of Foreign Wars.

We thank each of you for being here this morning. Your prepared statements will be inserted in the record immediately following your oral presentations.

We'd like to start with Mr. Fink, and then proceed in the order in which I introduced you to solicit your comments.

STATEMENT OF NELSON L. FINK, LEGISLATIVE ASSISTANT, DIRECTORATE OF MILITARY AND GOVERNMENT, AIR FORCE SERGEANTS ASSOCIATION

Mr. FINK. Good morning, Mr. Chairman, and distinguished members of the subcommittee.

Thank you for the opportunity to present the view's of the Air Force Sergeants Association with respect to H.R. 3001.

The Montgomery Bill has been a proven winner. We are delighted that the survivorship refund modification suggested in our testimony on February 18, 1987 is being considered by this subcommittee.

First and foremost we ask this subcommittee to act favorably upon H.R. 3001 that would pay refund to the surviving beneficiary in the amount that the service member had contributed into the program. This modification will certainly make the Montgomery GI Bill more attractive to enlistees, and the refund provided to the surviving spouse would probably come when he or she may need it the most.

We would then ask this subcommittee to consider one other minor modification that would further enhance the program, which is to consider reducing the Airman's monthly contribution from $100 to $60, and spread the payments out over a 20-month period.

The present $100 monthly contribution represents almost 20 percent of an Airman's pay after taxes, which presents a difficult decision to make within the first 14 days after entering military service.

Sir, we urge this subcommittee to consider our recommendations to further improve the Air Force participation rate in the Montgomery GI Bill. The Montgomery GI Bill is a very potent recruiting incentive for the U.S. Air Force. Current recruiting statistics indicate we are attracting the highest quality young men and women in the history of the all-volunteer force, yet changing conditions in the future could jeopardize our quality recruiting efforts. The diminishing manpower pool of the 1980's is likely to continue into the 1990's, and trying to cut corners in compensation for military personnel is a risk that we cannot ignore.

This concludes my statement.

Again, thank you for this opportunity to appear before this subcommittee.

I'm prepared to respond to any questions you or your colleagues may wish to ask.

[The prepared statement of Mr. Fink appears on p. 49.]

Mr. DOWDY. Thank you very much, Mr. Fink.

Next? Colonel Smith?

STATEMENT OF COL. EDWARD P. SMITH, USA (RET.), DIRECTOR OF MEMBERSHIP SERVICES, ASSOCIATION OF THE U.S. ARMY

Colonel SMITH. Sir, I'm Colonel Smith, representing the Association of the U.S. Army. I've presented a statement, which I asked be included in the record. To summarize it very briefly I'd like to say that the issue of a death benefit is one that we think should be added to the Montgomery GI Bill. We feel it should be added now. We see the number of enrollees increasing, and we think that the time is now that this amendment should be taken.

We feel that for the nominal amount that we're discussing there's no economy served by denying the return of this amount to beneficiaries or survivors who are grieving the loss of a loved one who died on active duty in the service of the country.

So the Association of the U.S. Army welcomes your initiative. We support it wholeheartedly, and we hope it will be enacted soon.

Thank you.

[The prepared statement of Association of the United States Army appears on p. 52.]

Mr. DOWDY. Thank you.

Mr. Partridge?

STATEMENT OF COL. CHARLES C. PARTRIDGE, LEGISLATIVE COUNSEL, NATIONAL ASSOCIATION OF UNIFORMED SERVICES

Colonel PARTRIDGE. Thank you, Mr. Chairman. I appreciate the opportunity to appear before this panel today.

We wholeheartedly support H.R. 3001 as a thoughtful and equitable means to ensure that the survivors of the GI bill participants do not suffer economic loss as a result of the service member's participation in the program.

To participate in the program they give up $100 a month for 12 months, and, as Mr. Montgomery said earlier, we and this committee opposed that contribution at the time. We believe and hope that in the future some adjustment will be made to that; in the meantime we support and commend your efforts to ensure the members of the Armed Forces and their surviving family members are equitably and fairly treated.

Thank you, sir.

[The prepared statement of Colonel Partridge appears on p. 54.]

Mr. DOWDY. Admiral Sizemore?

STATEMENT OF REAR ADM. WILLIAM G. SIZEMORE, USN (RET.), EXECUTIVE DIRECTOR, NAVY LEAGUE OF THE U.S.

Mr. SIZEMORE. Good morning Mr. Chairman and distinguished members of your committee.

From the very beginning, the Navy League of the U.S. has strongly supported the Montgomery GI Bill in the past. We're proud to have participated with Congressman Montgomery's traveling group in learning about the need for a New GI Bill and supporting it. We equally support H.R. 3001, for we feel it enhances the GI bill and is needed. I daresay we would support further amendments to the Montgomery GI Bill if they were to strengthen the GI bill and were in support of our men and women in service.

I'm proud to be here representing the Navy League of the United States. As you know, this is a civilian organization, and even more than 50 percent of its members have never served in the Armed Forces.

We support you and thank you.

[The prepared statement of Admiral Sizemore appears on p. 56.]

Mr. DOWDY. Thank you very much.

Mr. Dick Johnson?

STATEMENT OF RICHARD W. JOHNSON, JR., DIRECTOR OF LEGISLATION, NON-COMMISSIONED OFFICERS ASSOCIATION

Mr. JOHNSON. Thank you, Mr. Chairman.

We sit here today in support of the legislation under consideration.

In our prepared statement we've made one recommendation, and that is to include service members who die of service-connected deaths after separation from the Service.

In the scope of this legislation we make that recommendation because a Service policy exists to discharge seriously injured and terminally ill service members to Veterans Administration care once it becomes apparent they will be unable to continue to serve in the Armed Forces. We believe those folks should be included in the scope of this bill.

Again, we deeply appreciate the committee's efforts in this area, and we thank you.

That concludes my remarks.

[The prepared statement of Mr. Johnson appears on p. 58.]

Mr. DOWDY. Thank you, Mr. Johnson.

Colonel David Passamaneck, with AMVETS.

STATEMENT OF LT. COL. DAVID J. PASSAMANECK, USA, (RET.), NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Colonel PASSAMANECK. Thank you, Mr. Chairman.

AMVETS has been proud these last several years to have been the first of the veterans organizations to support the Montgomery GI Bill without qualification, and without concern, I might say, for which department was going to finance it and out of whose budget the expenses were going to come. That was an issue, if you recall, originally. We didn't consider those things; we went wholeheartedly in favor of this bill and we still are, of course. We're very proud of the achievements of the gentleman from Mississippi, and we consider this legislation to be the most significant new veterans' entitlement since the Vietnam War.

In that spirit, and consistent with that position, we, of course, support enthusiastically the thrust and the purpose of the legislation being considered here today; however, we would urge that that legislation be amended so as to, in effect, adopt the criteria for entitlement, as set forth generally in Chapter 35, Title 38, to be used also with respect to this benefit. We would consider, perhaps, that this benefit should be supplemental to whatever benefits the survivors might be entitled to under Chapter 35.

In other words, you're going to get a certain amount of money out of 35; well, the money that was contributed can be added to that fund to perhaps provide more education or maybe an easier time in college expenses or whatever may be involved.

We would like to emphasize that the Montgomery GI Bill is an education program. It is not a supplemental program for GI insurance, it is not a death benefit program. And although we feel it is inequitable to take this money that is, in effect, contributed by the member and let it go back into the Treasury, nonetheless we feel that the money should be earmarked for educational purposes, whether the purposes of the member of the Service, or his survivors.

By the way, under the criteria of Chapter 35 the funds would also go to the beneficiaries, the children, wife, etcetera, of totally disabled veterans. The funds would also go to the survivors of members who are missing in action or who are in prisoner of war camps. We think that that approach would be much more equitable and much more consistent with the basic meaning of the Montgomery GI Bill.

With those reservations, and conditioned on those amendments being made, we will wholeheartedly, of course, support this legislation.

Thank you.

[The prepared statement of Colonel Passamaneck appears on p. 60.]

Mr. DOWDY. Thank you.

And Mr. Thorson?

STATEMENT OF GORDON THORSON, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Mr. THORSON. Thank you, sir.

Chairman Dowdy and Chairman Montgomery and members of the subcommittee, thank you for this opportunity to appear at this hearing and offer the position of the Veterans of Foreign Wars on H.R. 3001.

Our proud organization gives its full support to this bill. The Montgomery GI Bill is an excellent education benefit program, and this minor adjustment will only serve to further improve the program.

Our full testimony has already been furnished for the record, so I will be brief.

A participant entering this program receives $100 less per month than a non-participant during the first year of military service. If the participant dies before receiving the educational benefit promised, then the money previously set aside should logically and compassionately be awarded to the participant's beneficiaries. We, therefore, conclude that this bill would serve the best interest of the program participants and would not unjustly burden the Federal budget.

Thank you.

[The prepared statement of Mr. Thorson appears on p. 62.]

Mr. DOWDY. Thank you Mr. Thorson.

We thank each of the witnesses. You have offered some very helpful suggestions.

Mr. Jontz?

Mr. JONTZ. Thank you, Mr. Chairman. I also want to thank the witnesses for their statements this morning.

Mr. Fink, if I recall correctly you relayed in your testimony the support of your association for changing the payment schedule, and I might just add that under the legislation that I will be introducing that change would be made, or perhaps I would be more correct to say the choice would be given to the enlisting serviceman as to whether he or she chooses to contribute $100 a month for 12 months or $60 for 20 months. The choice would be theirs. I believe that the gentleman from New Jersey, Mr. Smith, also addresses that question in a different way in his legislation.

Colonel Passamaneck, I appreciate your bringing to the attention of the committee the fact that indeed the Montgomery Bill is an education program, and I take your comment to mean that you would look with some favor on the idea that if the survivor or the beneficiary chose to take the Montgomery Bill benefits in the form of educational benefits instead of the form of a death benefit, that you would support giving them that choice under the law. Is that—

Colonel PASSAMANECK. Yes, sir. Our position at this point is that there really shouldn't be any choice. In other words, if there's an educational benefit which can be devolved upon the survivors, it should be. We shouldn't be talking about a cash payment. That isn't what this thing is all about, and it never was. It never was intended to be as such.

By the same token, it shouldn't be restricted only to people dying on active duty, or even dying at all as we can see from looking at section 1701 of Title 38.

Mr. JONTZ. I appreciate those comments, and I understand your concern. I guess I personally feel that if the survivor or beneficiary would sooner have the benefits in the form of death benefits that

that ought to be their choice, but your point is well taken that it is an education program, and—

Colonel PASSAMANECK. Let me put it this way: given the two alternatives of no choice or a choice, I'd certainly go along with you and support the choice.

Mr. JONTZ. Thank you.

I wonder now, then, if I might ask any of the other members of the panel whether they would care to comment about the idea, presuming that there are any survivors or beneficiaries who would find it to their advantage to take the $10,000 of education benefits or whatever had been earned as an alternative to the cash death payment—the benefits—whether you would find that to be a helpful addition to the bill to give the survivor or the beneficiary the choice? Do any of the others of you on the panel with to address that idea?

Mr. FINK. Mr. Jontz, Nelson Fink with the Air Force Sergeants Association.

I think I understand what you're stating and what you're getting at. Again, as far as our association goes I think that is a portion of the Montgomery GI Bill that would have to be looked at very, very closely because we're talking about Montgomery GI Bill, tested, proven winner, became permanent in June of this year, is starting to grow with the number of participants, and now we're talking about giving somebody a choice. They're only choice is that the service recruit, within 14 days after volunteering to go into the Armed Forces, also volunteers for this educational program, and when you start giving people more choices within a 14-day period, I would say we would have to look at that very, very close from my past experience in the military, sir.

Mr. JONTZ. Well, I believe that I have not made myself clear in that I'm not proposing—that specific proposal was not to give the recruit a choice, but rather to give the survivor or the beneficiary a choice in those limited cases where there will be survivors or beneficiaries—which is what the subject of H.R. 3001 is—to give that survivor or beneficiary the choice as to whether to take the benefits in the form of cash death benefits, as H.R. 3001 contemplates, or to take the education benefits as the serviceman would have been able to take them.

I see that my time has expired, but I would ask the chairman for an additional three minutes?

Mr. DOWDY. Without objection.

Mr. JONTZ. Thank you.

Mr. MONTGOMERY. Will the gentleman yield?

Mr. JONTZ. I will yield to the chairman.

Mr. MONTGOMERY. And it brings up an actual point in what Dave has pointed out. Staff informs me that—talking about how you would use these educational benefits—it is law now that a spouse or a child, under the survivor and dependents education benefits in the law now, are eligible for certain amounts of educational assistance. It just happened to be, in Mr. Grady's case, that he would not come under that part of the law.

Mr. JONTZ. Thank you, Mr. Chairman.

Reclaiming my time, I guess the question here that I'm not sure I have answered in my mind is whether there would be some

cases—whether in the case of Ms. Grady where you were talking about a survivor who wouldn't qualify under the existing law, or in a case where the benefits that the survivor now qualifies for could be augmented by the Montgomery benefits, recognizing, as we do, that the cost of education continues and that people continue their education—whether there might be some cases, however few they might be, where the survivor or beneficiary would make that choice.

I think I would air personally on the side of allowing the survivor or the beneficiary to make that choice, and if they chose not to take the cash benefits, that that would be their option if they chose to take the education benefits in addition to whatever other education benefits they might qualify for. It would be their option and they could make that decision based on what they felt was best for their whole circumstances. So, to clarify my suggestion, then. I trust that we'll have time to pursue this as this legislation moves through.

Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Montgomery?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Jim, that's what's interesting about the GI bill. There are a lot of combinations out there. We just have to be sure we pick the right combination, and that in some cases we must be very careful that we don't—make right steps is what I'm saying. But as we move into the ink being dry on the GI bill we find there are many areas and many opinions regarding which way to go and how we should go about it. I just hope the good Lord gives us the talent and experience to guide us through so that we can come up with a bill that will be strong and will educate young Americans, which is the point.

To our panel out there, they're the ones who deserve a lot of credit for the peacetime GI bill being permanent legislation. Since 1981, as I look around, we've been on trips together, you've advised us, we've been out talking to the recruits, recruiters, and you're part of it, and if it's going to continue to work you've got to help us. You've got to come like this, take your time—I know it's trouble. You have to wait around to testify—and also I would hope that you would go out and talk to recruiters, talk to parents, talk to young men and women who are using the GI bill, because you're working for the bottom line, like we are. We want a strong military defense, and also we want these young men and women to add to this Nation and have a chance to be a part of it and contribute to it in the future.

So, Mr. Chairman, thank you very much.

Mr. DOWDY. Thank you very much, Mr. Chairman, Mr. Jontz, and members of the panel. Again, we thank you for some very helpful suggestions that were contained in your testimony, and we appreciate, again, your assistance.

There being no other business, then, the hearing stands adjourned.

[Whereupon, at 11:00 a.m., the subcommittee was adjourned.]

APPENDIX

I

100TH CONGRESS
1ST SESSION

H. R. 3001

To amend title 38, United States Code, with respect to the Montgomery GI Bill.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 1987

Mr. DOWDY of Mississippi introduced the following bill; which was referred jointly to the Committees on Veterans' Affairs and Armed Services

A BILL

To amend title 38, United States Code, with respect to the Montgomery GI Bill.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEATH BENEFIT.

(a) IN GENERAL.—Chapter 30 of title 38, United States Code, is amended by adding at the end of subchapter IV the following new section:

"§ 1437. Death benefit

"In the event of the death of any individual after June 30, 1985, who was serving on active duty at the time of such death, whose basic pay had been reduced under section 1411(b) or 1412(c) of this title, and who had not been paid

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any educational assistance under this chapter, the Administrator shall pay a death benefit in the amount of such reduction to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such individual under such individual's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the individual.

"(3) The surviving child or children of the individual, in equal shares.

"(4) The surviving parent or parents of the individual, in equal shares.

If there is no such person living, no payment shall be made under this section.".

(b) CONFORMING AMENDMENT.—Section 1435(b)(1) of such title is amended by inserting after "chapter" the following: "and payments provided for under section 1437".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1437. Death benefit.".

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STATEMENT BY CONGRESSMAN SOLOMON BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT ON H.R. 3001
AUGUST 6, 1987

Mr. Chairman, I appreciate the opportunity to testify today on H.R. 3001, to allow death benefits to survivors of servicemembers enrolled in the Montgomery GI Bill Program. In our continuing evaluation of the Montgoemry GI Bill, I can think of no more appropriate action for our Committee to take than to provide for the awarding of these death benefits, when a young serviceman or woman dies while in service to the country and never has the opportunity to use the Montgomery G.I. educational benefits.

Mr. Chairman, I commend you, Chris Smith, the Ranking Member, and all of the Members of the Subcommittee on Education, Training and Employment for the leadership demonstrated in forwarding this much-needed proposal.

Under current law, the amount of the reduction in pay of a GI who dies in the line of duty are retained by the government. This is an inequity to our service personnel who have elected to participate in the program, and a situation unaddressed by Congress in the developemnt of the program.

Mr. Chairman, I strongly support the legislation you have introduced to allow these funds to go to the loved ones of the deceased GI. H.R. 3001, to judge from the advance written statements submitted to our subcommittee, has the full support of the veterans service and military organizations, the Administration, including the Veterans Administration and the Department of Defense, and our Committee. I look forward to continuing to work with you when the bill comes before the full Committee.

TESTIMONY OF

DR. DAVID J. ARMOR
ACTING ASSISTANT SECRETARY OF DEFENSE
(FORCE MANAGEMENT AND PERSONNEL)

BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE COMMITTEE ON VETERANS' AFFAIRS

DEATH BENEFIT FOR
MONTGOMERY GI BILL ENROLLEES

6 AUGUST 1987
ROOM 334, CANNON HOUSE OFFICE BUILDING

GOOD MORNING MR. CHAIRMAN.

IT IS A PRIVILEGE TO APPEAR BEFORE THIS COMMITTEE WHICH HAS DONE SO MUCH OVER THE YEARS FOR AMERICAN SERVICE MEMBERS. THE MEN AND WOMEN OF THE ARMED FORCES ARE THE BACKBONE OF OUR NATION'S DEFENSE STRUCTURE AND I KNOW THEY ARE GRATEFUL TO THIS COMMITTEE FOR ENSURING THEIR FAIR TREATMENT.

THE MONTGOMERY GI BILL IS BEING PERCEIVED AS AN EXCELLENT BENEFIT BY SERVICE MEMBERS. THE MONTHLY ENROLLMENT RATES ARE STEADILY INCREASING. THIS PROGRAM WILL PROVE TO BE OF GREAT VALUE TO THE NATION, THE SERVICES, AND THE INDIVIDUALS WHO PARTICIPATE.

YOU HAVE REQUESTED THAT I COMMENT TODAY ON THE DEPARTMENT'S POSITION WITH RESPECT TO PROVIDING A DEATH BENEFIT PAYMENT TO SURVIVORS OF PARTICIPANTS IN THE MONTGOMERY GI BILL WHO DIE ON ACTIVE DUTY, AS PROVIDED IN H.R. 3001.

THE DEPARTMENT SHARES THIS COMMITTEE'S GREAT CONCERN FOR THE WELFARE OF OUR SERVICE MEMBERS. AS THESE PATRIOTIC CITIZENS RISK THEIR LIVES IN DEFENSE OF THE NATION, IT IS OUR RESPONSIBILITY TO ENSURE THEIR FAIR AND EQUITABLE TREATMENT.

ENROLLEES IN THE MONTGOMERY GI BILL PROGRAM HAVE FULL INTENTIONS OF PURSUING HIGHER EDUCATION UPON COMPLETION OF THEIR SERVICE. THEIR ACCEPTANCE OF A REDUCED RATE OF BASIC PAY OF $1200 FOR THE OPPORTUNITY TO PARTICIPATE IN THE MONTGOMERY G.I. BILL PROGRAM, COMBINED WITH NO REFUND PROVISION, CLEARLY DEMONSTRATES THIS INTENTION. EQUALLY, IT IS THE INTENT OF

CONGRESS AND THE DEPARTMENT OF DEFENSE THAT SERVICE MEMBER ENROLLEES IN THE PROGRAM RECEIVE THEIR EARNED EDUCATIONAL BENEFITS. IT IS THE DEPARTMENT'S POSITION THAT IN THE EVENT OF THE DEATH OF ANY INDIVIDUAL WHO WAS SERVING ON ACTIVE DUTY AT THE TIME OF DEATH, WHOSE BASIC PAY HAS BEEN REDUCED BY ENROLLMENT IN THE MONTGOMERY GI BILL, AND WHO HAD NOT RECEIVED ANY EDUCATIONAL BENEFITS UNDER THIS PROGRAM, A DEATH BENEFIT IN THE AMOUNT OF THE BASIC PAY REDUCTION SHOULD BE PAID TO THAT INDIVIDUAL'S SURVIVORS. CLEAR EXAMPLES ARE THE THREE CREWMEMBERS OF THE USS STARK WHO WERE ENROLLED IN THE MONTGOMERY GI BILL PROGRAM AND DIED ON MAY 17, 1987 IN THE PERSIAN GULF. IT IS THE DEPARTMENT'S POSITION THAT THESE SERVICE MEMBERS WERE FULLY MEETING THEIR PART OF THE PROGRAM'S REQUIREMENTS AND, BECAUSE THEY WILL BE UNABLE TO TAKE ADVANTAGE OF THE PROGRAM'S BENEFITS, IT IS EQUITABLE AND PROPER THAT THE GOVERNMENT PROVIDE THIS DEATH BENEFIT TO THEIR SURVIVORS.

THIS CONCLUDES MY PREPARED STATEMENT. THANK YOU AGAIN FOR THE OPPORTUNITY TO APPEAR. I WILL BE PLEASED TO RESPOND TO YOUR QUESTIONS.

STATEMENT OF DR. DENNIS R. WYANT
DIRECTOR, VOCATIONAL REHABILITATION AND
EDUCATION SERVICE
DEPARTMENT OF VETERANS BENEFITS
VETERANS ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
AUGUST 6, 1987

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here today to provide you with our views on recently introduced legislation, H.R. 3001.

H.R. 3001 would amend chapter 30 of title 38, United States Code, by adding to subchapter IV a new section to award a death benefit to certain survivors of participants under the Montgomery GI Bill-Active Duty who die while on active duty.

More specifically, the bill would provide a death benefit on behalf of an individual who dies after June 30, 1985, while on active duty; who had his or her basic military pay reduced due to participation in the Montgomery GI Bill education benefits program; and who had not been paid any of such benefits. The Administrator of Veterans' Affairs would be authorized to pay a death benefit in the whole amount of the basic pay reduction. The benefit would be paid to the serviceperson's survivors in the following order of precedence: First, to the designated beneficiaries selected by the individual under his or her Servicemen's Group Life Insurance policy; second, if there is no such living designated beneficiary, to the participant's surviving spouse; third, if none of the above, to the children

of the deceased participant, in equal shares; and fourth, to the participant's surviving parents, in equal shares. If there are no such surviving persons, payment would not be made. Payments would be made from readjustment benefit funds appropriated to the Veterans Administration.

H.R. 3001 would correct the inequity which occurs when a service-person dies while in service to the Country before having had the opportunity to take advantage of the education benefits available under the Montgomery GI Bill but has sustained a reduction in pay through participation in the program. We believe that this is appropriate and, accordingly, the VA would support enactment of this measure.

Mr. Chairman, that concludes my testimony. I would be glad to respond to any questions you or the members of the Subcommittee may have.

TESTIMONY OF THE HONORABLE JIM SLATTERY (2ND-KS)

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT

H. R. 3001

AUGUST 6, 1987

MR. CHAIRMAN.

I AM GRATEFUL FOR THE OPPORTUNITY TO BE HERE THIS MORNING TO SHARE MY SUPPORT FOR H. R. 3001.

BUT I AM VERY SORRY ABOUT THE CIRCUMSTANCES WHICH HAVE BROUGHT US ALL TOGETHER.

THE STORY MY CONSTIUENTS MIKE AND KERRY GRADY SHARE IS A SAD ONE--BUT THEY ARE NOT HERE FOR SYMPATHY.

THEY ARE HERE TO CORRECT AN INJUSTICE AND DRAW ATTENTION TO A PROBLEM THAT MUST BE RECTIFIED WITHIN THE CONGRESS.

JOHN GRADY WAS A FINE YOUNG MAN AND AN EXCELLENT SOLDIER. HIS MILITARY RECORD DISPLAYS A HALLMARK OF ACHIEVMENT, SERVICE, AND LOYALTY TO HIS COUNTRY.

NOT UNLIKE MANY YOUNG PEOPLE HE HAD HOPES AND DREAMS FOR HIS FUTURE. INCLUDED IN THOSE DREAMS WERE PLANS FOR HIS EDUCATION. HE WAS TO ATTEND THE UNIVERSITY OF KANSAS THIS FALL.

IN FACT, IT IS IRONIC THAT TODAY IS THE DAY JOHN WAS SCHEDULED TO RETURN FROM HIS SERVICE IN WEST GERMANY BACK TO THE UNITED STATES. I DO NOT THINK JOHN WOULD UNDERSTAND WHY WE HAVE DRAWN HIS LOVED ONES, DURING THIS DIFFICULT TIME, TO TALK ABOUT REIMBURSEMENT. THE EDUCATION DEATH BENEFIT SHOULD NOT EVEN BE AN ISSUE.

THE UNFAIRNESS IS GLARINGLY CLEAR.

DURING JOHN'S FIRST YEAR OF SERVICE AND UPON ELISTMENT TO THE ARMY, HE PAID $100 OUT OF HIS MONTHLY PAYCHECK TO GO TOWARD HIS COLLEGE EDUCATION FUND.

IT WAS HIS MONEY, GOING INTO A FUND THAT HE HAD BEEN PROMISED WOULD BE THERE FOR HIM WHEN IT CAME TIME FOR HIM TO LEAVE THE SERVICE AND ENTER SCHOOL..

TRAGICALLY AND UNFORTUNATELY, THAT TIME NEVER CAME FOR JOHN AND ACCORDING TO THE CURRENT LAW--THAT IS THAT. THE MONEY CONTRIBUTED DIRECTLY BY JOHN REMAINS WITH THE GOVERNMENT.

WHETHER BY DESIGN OR OVERSIGHT, THE NEW GI BILL MAKES NO PROVISION TO RETURN THAT $1200 IN THE EVENT THE SOLDIER DIES BEFORE HE OR SHE CAN USE THE MONEY FOR HIS EDUCATION.

MR. CHAIRMAN, THIS IS NO SMALL AMOUNT. ESPECIALLY WHEN THAT $1200 PER SOLDIER IS MULTIPLIED BY 2000 --AN ESTIMATE OF THE NUMBER OF SOLDIERS WHO DIE EACH YEAR WHILE ON ACTIVE DUTY --THE GOVERNMENT COMES OUT $2.7 MILLION AHEAD.

THE U.S. TREASURY SHOULD NOT BENEFIT FROM THE DEATHS OF THESE SOLDIERS. THAT IS A TRAVESTY OF JUSTICE AND WE SHOULD CONCENTRATE ON CHANGING THIS LAW AS EXPEDITIOUSLY AS POSSIBLE.

IT IS AN INEQUITY CREATED BY CONGRESS AND MUST BE CORRECTED BY CONGRESS.

THE TOTAL BENEFIT EARNED BY THE SOLDIER, SHOULD BE TRANSFERABLE TO A SISTER OR WIFE OR CHILD OR DESIGNATED BENEFICIARY IN THE EVENT OF THE SOLDIER'S DEATH.

I CAN'T THINK OF ONE GOOD REASON WHY KERRY OUGHT NOT BE ABLE TO BENEFIT FROM THE CONTRIBUTIONS OF HER BROTHER.

A BROTHER WHO CHOSE TO SERVE HIS COUNTRY AND BETTER HIMSELF THROUGH A COLLEGE EDUCATION. A BROTHER WHO EARNED AND PAID $100 OUT OF HIS PAYCHECK EVERY MONTH, FOR 12 MONTHS TO ENSURE THIS OPPORTUNITY AND THIS DREAM.

DURING HIS BRIEF LIFE, JOHN SHARED MUCH WITH HIS COUNTRY. IN HIS DEATH, HIS COUNTRY OUGHT TO ALLOW HIM TO SHARE HIS DREAM WITH HIS LITTLE SISTER.

IT IS THE RIGHT AND FAIR THING TO DO.

THANK YOU, MR. CHAIRMAN.

TESTIMONY OF THE HONORABLE DAN GLICKMAN

COMMITTEE ON VETERANS AFFAIRS

TODAY, JOHN GRADY WOULD HAVE BEEN ELIGIBILE TO LEAVE THE SERVICE AND RETURN TO KANSAS TO BEGIN HIS EDUCATION AT THE UNIVERSITY OF KANSAS. SADLY JOHN WILL NOT RETURN TO KANSAS TODAY, OR ANY OTHER DAY, AS HE DIED TRAGICALLY AND UNEXPECTEDLY IN A CAR ACCIDENT IN WEST GERMANY WHILE SERVING AS AN INFANTRY MAN IN THE FIRST BATTALION, 52ND INFANTRY DIVISION.

I WOULD LIKE TO BRIEFLY SHARE JOHN'S STORY WITH YOU AS IT IS THE REASON I AM A COSPONSOR OF H.R. 3001, THE SUBJECT OF YOUR HEARING TODAY. AS YOU MAY KNOW, H.R. 3001 WOULD PROVIDE A DEATH BENEFIT TO SURVIVORS OF MONTGOMERY GI BILL PARTICIPANTS WHO DIE WHILE ON ACTIVE DUTY. UNDER H.R. 3001 THE PAYMENT WOULD EQUAL THE AMOUNT BY WHICH THE PARTICIPANT'S BASIC PAY WAS REDUCED UNDER THE PROVISIONS OF THIS EDUCATIONAL ASSISTANCE PROGRAM. I BELIEVE LISTENING TO JOHN'S STORY WILL CONVINCE YOU, AS IT DID ME, THAT WE MUST ENACT THIS LEGISLATION AS SOON AS POSSBILE. IT IS THE ONLY FAIR WAY TO TREAT THOSE MEN AND WOMEN WHO DIE WHILE SERVING OUR COUNTRY.

BEFORE BEGINNING, HOWEVER, I WOULD LIKE TO INTRODUCE JOHN'S FATHER, MICHAEL GRADY, WHO IS A PRACTICING ATTORNEY IN TOPEKA KANSAS. I WELCOME MR. GRADY AND THANK HIM FOR COMING HERE TO CONTINUE HIS HARD WORK IN BRINGING THIS ISSUE TO THE ATTENTION OF CONGRESS. I WOULD ALSO LIKE TO EXTEND MY MOST SINCERE SYMPATHY. AS A FATHER OF AN 18 YEAR OLD MYSELF I CAN ONLY

CONTEMPLATE THE LOSS YOU HAVE SUFFERED. I ALSO WISH TO WELCOME JOHN'S SISTER, KERRY, WHO CAME HERE FROM TOPEKA WITH HER DAD AND EXTEND MY SYMPATHIES TO HER AS WELL.

JOHN GRADY WAS BORN IN LAWRENCE, KANSAS AND SPENT MOST OF HIS BOYHOOD DAYS IN TOPEKA. IN 1984, WHILE STILL A SENIOR IN HIGH SCHOOL, JOHN ENLISTED IN THE INFANTRY. ONE OF THE KEY REASONS FOR HIS ENLISTMENT WAS THE GI BILL WHICH HE HOPED WOULD HELP HIM FULFILL HIS DREAM OF ATTENDING THE JOURNALISM PROGRAM AT THE UNIVERSITY OF KANSAS.

JUST AS STRONG AS JOHN'S COMMITMENT TO HIS EDUCATION WAS HIS LOVE OF HIS COUNTRY. INDEED HE FELT SO STRONGLY ABOUT SERVING HIS COUNTRY THAT HIS PLAN WAS TO RETURN TO THE INFANTRY UPON COMPLETION OF HIS DEGREE TO BE A COMMUNICATIONS OFFICER FOR THE ARMY.

ON AUGUST 7, 1985 AFTER GRADUATING FROM HIGH SCHOOL, JOHN ENLISTED IN THE INFANTRY. THE OLD GI BILL WAS IN EFFECT WHEN JOHN FIRST SIGNED UP IN 1984. UNDER THE OLD LAW, CONTRIBUTIONS TO THE GI EDUCATION PROGRAM WERE RETURNED TO THE BENEFICIARIES UPON THE DEATH OF THE ENLISTED SOLDIER. HOWEVER, IN THE SUMMER OF 1985 WHEN JOHN ACTUALLY BEGAN HIS SERVICE, THE NEW GI BILL WAS IN ITS TEST PERIOD. THE MONTGOMERY BILL, WHICH AS YOU ALL KNOW WAS RECENTLY SIGNED INTO PERMAMENT LAW BY THE PRESIDENT, IS SILENT AS TO WHETHER EDUCATION CONTRIBUTIONS WOULD BE RETURNED IN SAD CASES SUCH AS THE ONE FACING THE GRADY FAMILY.

AFTER COMPLETING HIS BASIC TRAINING JOHN WAS STATIONED IN WEST GERMANY. THERE HE WAS THE MODEL SOLDIER ACCORDING TO HIS CAPTAIN, CAPTAIN PAUL OETTINGER. HIS COMMANDING OFFICER

CONSIDERED HIM THE BEST SOLDIER IN HIS COMPANY.

AFTER HIS FIRST YEAR IN WEST GERMANY, JOHN CAME HOME TO TOPEKA TO VISIT HIS FAMILY AND TO ENROLL IN THE UNIVERSITY OF KANSAS WHICH HE PLANNED TO ATTEND THIS FALL. UNFORTUNATELY JOHN'S RETURN TRIP TO WEST GERMANY WAS HIS LAST. ON JANUARY 10, 1987 HE DIED AS A RESULT OF HEAD INJURIES HE RECIEVED WHEN HIS CAR SLID ON AN ICE PATCH. THE DAY OF THE ACCIDENT HE HAD BEEN DECORATED WITH THE ARMY ACHIEVEMENT MEDAL.

AFTER HIS DEATH, HIS FATHER BEGAN THE NECESSARY, BUT DIFFICULT, PAPER WORK INVOLVED IN SETTLING HIS ESTATE. IN PURSUING THIS TASK HE ATTEMPTED TO RECOVER THE $1,200 THAT HAD BEEN DEDUCTED FROM JOHN'S PAYCHECK FOR HIS EDUCATION. HE WANTED THIS MONEY FOR HIS DAUGHTER AND JOHN'S SISTER, KERRY'S, EDUCATION. HE WAS UNABLE TO DO THIS, HOWEVER, AS HE WAS INFORMED THAT THE NEW GI BILL DID NOT PROVIDE FOR SUCH REIMBURSEMENT. HE WAS TOLD THAT SINCE THE MONEY WAS NOT TAXED, THERE WAS NO CONTRIBUTION TO BE RETURNED. IN JOHN'S CASE, HOWEVER, THIS RULE DID NOT APPLY AS FOR THE FIRST SIX MONTHS HIS CONTRIBUTION WAS TAXED! JOHN'S CASE IS FURTHER COMPLICATED BY THE FACT THAT HE SIGNED TWO CONTRACTS FOR ENLISTMENT. ONE BEFORE THE NEW GI BILL WENT INTO EFFECT AND ONE AFTER. AS A RESULT OF THIS, HIS FATHER NOTES IT WAS NOT CLEAR WHAT WOULD BE DONE WITH HIS BENEFITS IN THE EVENT OF DEATH.

AFTER HIS UNSUCCESSFUL ATTEMPT TO RECOVER THE MONEY, MICHAEL GRADY WROTE TO THE MEMBERS OF CONGRESS FROM THE KANSAS DELEGATION AS WELL AS MEMBERS OF THE VETERANS AFFAIRS COMMITTEE THIS MARCH. AS A RESULT OF HIS EFFORTS, H.R. 3001 WAS INTRODUCED TO

ENSURE THAT YOUNGSTERS LIKE KERRY GRADY, JOHN'S SISTER, COULD REALIZE THE DREAM OF AN EDUCATION THAT HER BROTHER HAD CONTRIBUTED TO WHILE HE WAS SERVING HIS COUNTRY IN THE ARMED SERVICES.

JOHN GRADY'S FAMILY IS NOT THE ONLY FAMILY WHO WILL FACE THIS TYPE OF PROBLEM. AN OFFICIAL FROM THE OFFICE OF THE SECRETARY OF DEFENSE INDICATED THAT 2000 UNITED STATES MILITARY PERSONNEL DIE EACH YEAR. MANY OF THESE WILL HAVE ENROLLED FOR BENEFITS UNDER THE MONTGOMERY GI BILL. INDEED, WITH THE STARK INCIDENT, SEVERAL NEW NAMES WERE ADDED TO THE LIST OF YOUNG MEN WHOSE BENEFITS WILL NOT BE RETURNED.

THESE YOUNG MEN AND WOMEN WHO CHOOSE BOTH TO SERVE THEIR COUNTRY AND TO BETTER THEMSELVES THROUGH A COLLEGE EDUCATION SHOULD KNOW THAT IN THE EVENT OF A TRAGEDY THEIR CONTRIBUTION WILL BE RETURNED TO THEIR FAMILIES TO HELP THEIR SIBLINGS, THEIR SPOUSES OR THEIR CHILDREN. CERTAINLY THIS IS NOT TOO MUCH TO ASK IN LIGHT OF WHAT THESE YOUNG PEOPLE HAVE GIVEN THEIR COUNTRY AND THE LOSS THEIR FAMILIES HAVE SUFFERED. FAMILIES LIKE THE GRADY FAMILY SHOULD NOT HAVE TO THINK OF A REIMBURSEMENT STRUGGLE AT SUCH A VERY DIFFICULT TIME. I URGE ALL OF YOU ON THE COMMITTEE TO SUPPORT H.R. 3001 AND MOVE IT QUICKLY THROUGH THE FULL HOUSE.

A MATTER OF HONOR

From the June 14, 1987, edition of the
Topeka Capital-Journal

A patch of ice was all it took to spin John Grady out of control and across the center line of the narrow West German back road.

The rented car was destroyed; the young soldier suffered critical head injuries in the near head-on collision with another car. Four days later, on life-support equipment in the University Hospital at Wuerzberg, Specialist 4 John Grady lay comatose.

He had been decorated with the Army Achievement Medal the day of his accident. His platoon leader would not have traded Grady for any other radio-telephone operator or any other driver in the Army. His commanding officer considered Grady to be the best soldier in Alpha Company, and a friend.

Grady's two-year tour of duty was nearly complete. He had plans for college at the University of Kansas, hoping to enroll in communications and to get into the Reserve Officer Training Corps. The plan, the dream, was to graduate and then become the finest communications officer the Army had ever seen. The Veterans' Educational Assistance Act of 1984 — the New GI Bill — was the ticket.

That evening, four days after the crash, his father turned off the life support equipment. John Grady died.

The United States government is taking money from dead servicemen.

Under the terms of the New GI Bill, the dollars soldiers, sailors and airmen put into their college funds are not returned to the next of kin in the event those servicemen or women die while on active duty.

According to the GI Bill — signed into permanent law June 1 by President Ronald Reagan — enlistees opting into the college plan contribute $1,200 during their first year of service. After that, the Army, Navy or Air Force puts money into the pot, holding it for the serviceman to use toward college or vocational training after two or more years of active duty.

Whether by design or oversight, the New GI Bill makes no provision to return that $1,200 in the event the soldier dies before he or she can use the money. It's no small potatoes. When that $1,200 per soldier is multiplied by 2,000 — an estimate of the number of soldiers who die each year while on active duty — the government comes out $2.7 million ahead.

Specialist 4 John Grady, a Hayden High School graduate, was 19 when he died on active duty in West Germany in January. If a car crash caused the injuries which took his life, it was the legal jumble of the New GI Bill that took the $1,200 he had paid and sent it away to the United States Treasury.

That's wrong, says Topeka attorney Michael Grady, father of the young infantryman. The money John Grady contributed toward his college dreams belongs to John Grady, and since John is dead, then his $1,200 should go to his sister, Kerry, his legal beneficiary, Michael Grady asserts.

After the death of his son, Grady began the paperwork necessary to settle the estate. He saw John's leave and earning statements, noting especially the $100 a month taken from the paychecks for the GI Bill. Grady was shocked to find the contributions made by John would not be returned under the law.

"It makes no sense," Grady said. "It simply couldn't be the Army policy to keep the contributions of a soldier who had been killed. Returning John's money will cost the government nothing. They are taking money that doesn't belong to them," Grady said.

With the support of Chuck Yunker, Kansas American Legion adjutant, and Col. Glynn Decoteau, casualty assistance officer and senior Army advisor to the Kansas National Guard, Grady began contacting public officials for help.

"The refund question was originally not on my list of problems, until Mr. Grady asked about it," Col. Decoteau said. "I said, 'I don't know. Let's check...' Well, here's the straight skinny: it's nonrefundable.

"It's a travesty of justice that the U.S. Treasury benefits from the deaths of these soldiers. I think the law needs to be changed. I think everyone can see that," he said.

With the hope of getting an exemption to the rule and, more importantly, the law changed, Grady worked through the Kansas congressional delegation, meeting with disappointment.

"We've found out there are no exceptions," Jane Deterding, regional assistant for Sen. Dole, said. "This doesn't seem fair, but that's where it is." Tom Carter, a [illegible] affairs specialist for Sen. Bob Dole, R-Kan., said special legislation for an exemption in Grady's case would likely fail in the Senate. Changing the brand new law to include a "death clause" may happen, he said, but not right away.

But Grady's efforts haven't gone unnoticed. In fact, he has marshaled a host of powerful attention-getters to work on his behalf.

"We've taken this issue through channels with the Army, the Veterans' Administration, and the Congress. It's time to ring some bells in Washington."

Yunker has mustered the forces of the American Legion, and the Kansas group recently passed a resolution calling for a change in the law to include refunds in the event of death. The resolution has been forwarded to the national offices of the Legion, and Yunker predicted it will be approved by the national convention in August.

Likewise national representatives of the Veterans of Foreign Wars and the Disabled American Veterans have protested the inadequacy in the law to influential folk in Congress. Dole, as well as Kansas Congressmen Jim Slattery and Dan Glickman, continue to work for Grady, representatives of their offices said. The heat is on back in Washington, D.C.

California Sen. Alan Cranston, chairman of the Senate Veterans' Affairs Committee, is scheduling hearings on the subject late this summer or in the fall, Martha Phan, assistant press secretary for Cranston said. Cranston is aware of Grady's case and concerned about how many families might be in a similar situation, Phan said.

Mississippi Rep. G.V. "Sonny" Montgomery, chairman of the House Veterans' Affairs Committee, worked hard for the New GI Bill. So hard it earned his name. He's proud of it. It was the result of seven years of work and is only this month finally a permanent part of United States law. Though it's not the program he wanted originally, it is on the books now, and that means "we can play with it a little bit," he said.

Montgomery, the man who can control what does or doesn't move out of his committee through the seniority system, is on board.

"I tell you, the ink's not even dry on this thing yet," Montgomery said in a deep-south drawl. "But I think I can say that we'll make that change in the law. I'm sure we can do that."

Until Grady's case, no one had brought up the lack of a death clause, Montgomery said. There had been "mumblings" about it, along with suggestions that the benefit might be transferable to a spouse or dependent child, or that people already holding bachelors' degrees might be made eligible to participate (servicemen who already hold college degrees are ineligible for the program now), but no one had pointed out the hardship the lack of a death clause might cause, Montgomery said.

Grady points it out right away. Kerry is the beneficiary. The money should go to her, Grady said.

"The $1,200 will not be a deciding factor in whether John's sister gets a college education. Our family is fortunate that Kerry is a bright student. Her needs will be met without the GI Bill. But John is not the only soldier in the Army under the GI Bill since July 1985 who was or will be killed. Not every family who suffered this loss will have the resources to investigate these continuous changes in the veterans' legislation.

"Many families will not know or have a reason to question how Congress has handled it. If someone says they can't have the money, then they won't ask again. Not every young soldier who has died happens to have a father who is a lawyer or the assistance of a full colonel, such as Glynn Decoteau," Grady said.

Across the United States, somewhere, many Kerrys exist, some of them desperately needing the $1,200 their soldiers contributed to the GI Bill. That money could make the house payments that keep a young widow in her home, or buy groceries for fatherless children, or continue the dream and give someone a chance, a new start, in college.

In fact, about 10 similar inquiries have been made at the United States Army Finance and Accounting Center in Indianapolis, said Gary Olson, director of public relations there. Those people were told no refund was possible, and apparently that's when they quit asking, Olson said.

When Grady received that rejection, however, he was just beginning.

He's not looking for personal glory. He dislikes the thought of media attention if that attention is just "a shameless attempt to play on people's emotions.

"I don't want people to read this and then say, 'Oh, how sad. He was a nice boy'. I want to change the law. The wrong was done in Congress. The remedy will be in Congress," Grady said.

The process may take time; time which has passed slowly since John's death.

"I've got to try and be patient. Try and understand the Army is as offended and as embarrassed as I am. Recognize that mistakes happen, even in Congress, but continue to press the issue until the right thing is done. It's a matter of honor on behalf of my son and the other young soldiers who will die that this matter be set right," Grady said.

The GI Bill should be amended as soon as possible at least to include a clause which refunds the contributions made by soldiers if they should die before they can use the benefit, he says. Further, Grady believes the law should be retroactive back to July 1985, to include John and any soldiers who participated in the plan and died. That's a minimum.

"I believe the total benefit earned by the soldier, the total money the Army would give him for college, should be transferable to a sister or wife or child in the event of the soldier's death. If Congress chooses to support the brothers and sisters or children of those killed, by funding the money earned by the soldier, then I believe that would be appropriate and consistent with the spirit of the GI Bill," he said.

This quest Grady has set himself on is a form of the grief process, an effort to make sense of the death of his son, and a way to ensure that John Grady died for a reason. The work has been a learning experience for Grady, and has changed the way he views today's Army.

"Oh my Lord, yes. All of my experience of the Army during my college years had been young men my age signing up for the National Guard in an effort to avoid going to Vietnam. My attitude toward the Army was very negative," Grady said.

"What I saw in Germany when I was there to see John in the hospital and to visit with his friends there, what I saw in those fine young men, and what I was greeted with in Kansas when I returned, changed my opinion entirely. I've seen the Army is made up of real people and damn fine young men."

"I'm proud my son was a soldier."

That the New GI Bill has a severe flaw and needs to be changed is something Grady understands. But he doesn't know why the law exists in its current form. The college education program preceding the current law offered a refund in the event of a participant's death. Why was it left out?

"It was not done by mistake or by oversight. It was omitted because someone thought it was not necessary in the new bill," Grady said.

The Montgomery GI Bill, as the new one is called, was a "compromise" necessary to survive the Senate, said Jill Cochran, professional staff member of the House Veterans' Affairs Committee. The previous college benefit plan, the Vietnam Veterans Education Assistance Program (VEEP), had been in effect since Jan. 1, 1977, and was "an administrative nightmare," Cochran said. Soldiers could put money in and take it out with virtually no restriction.

"VEEP was such a mess," she said. "They'd pay in for three months, then quit and spend the money, and then turn around and say, 'Hey, that wasn't such a good idea. I could use the money for college', and then pay in again."

VEEP, for all its flaws, did have a "death of participant" clause, refunding the participants' unused contributions to beneficiaries or estate.

Montgomery said he worked to try and pass the New GI Bill so that soldiers would not have to contribute into the program. No refund clause would have been necessary because no contribution would be made.

But the Senate Veterans' Affairs Committee insisted the participants share in the program.

"It makes the individual become involved in the program. They feel an ownership," Montgomery said. "We want these young men and women to get an education. Enlisting people who want to get a college degree ensures us we are getting the kind of people the Army wants. That's why we make them contribute. And I'm not so sure that's a bad idea."

The compromise bill coming out of the conference committee "basically established a two-track pay plan," Cochran said. Those soldiers enrolling in the college plan had to pay income tax on their net income after the deduction of the $1,200, she said. Those opting out of the plan had to pay tax on their entire salary. As far as the Veterans' Affairs Committee and the Senate are concerned, the tax break offsets the payroll deduction, and thus the soldiers are not making a contribution.

"There is no refund of the contribution because there is no contribution," Cochran said.

"That's double-talk," Grady said. "One hundred dollars a month came out of John's paycheck as his contribution to the GI Bill."

Senate officials also wanted to tighten up control over money flow. They wanted those people paying in to leave the money in for educational use later on. Participants can only get their $1,200 back in one of four ways, according to the New GI Bill statutes:

- The participant completes the enlistment and goes to college.
- The participant leaves the Army proving financial hardship.
- The participant leaves the Army suffering a service-related disability.
- The participant leaves the Army for the "convenience of the Army."

The last item covers the "oddballs" and "misfits" of which the service wants to be rid.

"If the Congress made provisions to care for these exceptions, especially for those dismissed 'for the convenience of the Army', then it's unthinkable they didn't make some provision for the families of those men killed each year," Grady said.

"I stand to gain some peace of mind knowing that the Army kept its promise to my son in the same way he kept his promise to them," he said.

So now Michael Grady waits, hoping those in Congress will see what is clear to everyone else.

JUL AUG 3 1987

1100 Bank IV Tower
Topeka, Kansas 66603
(913) 235-9511

July 27, 1987

Honorable Wayne Dowdy
United States House of Representatives
240 Canon House Office Building
Washington, D.C. 20515-2404

RE: The New GI Bill

Dear Representative Dowdy:

I trust that you are aware of my correspondence with Representative Sonny Montgomery and members of the Kansas Congressional delegation concerning the new GI Bill. The enclosed articles published in The Stars and Stripes on July 17, 1987, explain my interest in amendment of the New GI Bill to reinstate retroactively the "Death of Participant Provision" from the Post-Vietnam era Veterans' Educational Assistance Act, 38 U.S.C. §1624.

Having heard reports of future subcommittee hearings on this issue, I wish to volunteer to appear as a witness. My interests are those of a father of a deceased service member, and of an attorney who believes strongly that the contributions of deceased soldiers should be refunded on a retroactive basis. The substance of my position is that many young soldiers, like my son, committed themselves to military service through Delayed Entry Programs while the Post-Vietnam veterans' legislation was still in force. By the time of my son's formal enlistment during August, 1985, the law had changed, but the Army did not make a full disclosure of the New GI Bill's provisions. The Army's paperwork highlighted the enhanced benefits, but did not reveal the new restrictions including the omission of a refund in the event of a soldier's death. This issue has not been developed in the press to date, and I would welcome the opportunity to present it to your subcommittee.

Concerning the issue of taxation of a soldier's contributions to the GI Bill, I have obtained my son's pay records to study the impact of this measure. Since John's contributions were paid over two calendar years at pay rates of E-1 and E-2, I expect the tax impact to be negligible. The pay records are complex, but it appears that my son's GI Bill contributions were subjected to federal income and FICA

taxes from August, 1985, until December, 1986, when an "adjustment" was posted to the attached Leave and Earnings Statement. If my information is correct, the contributions paid by John and other deceased service members who died after July 1, 1985, should be paid to their heirs in full and should bear interest as well. I will prepare a report on this topic, and I look forward to hearing from you.

Very truly yours,

Michael J. Grady

MJG:cas

Enclosures

cc: Ms. Jill Cochran
Mr. William J. Bartman
Mr. Chuck Yunker

Page 2 ★★★ THE STARS AND STRIPES Friday, July 17, 1987

Father wants GI Bill changed to let survivors collect benefits

By WILLIAM J. BARTMAN
Washington bureau

WASHINGTON — The survivors of a servicemember should be able to get back the money the member contributed to the GI Bill, says Michael Grady, whose son was killed in a car crash in Germany.

And while the Topeka, Kan., resident finds everyone agreeing with him he wonders if Congress is going to do anything about it.

Grady's son, Spec. 4 John Grady, died Jan. 10 following an automobile accident near Bamberg, Germany. His grieving father had chosen to turn off the life support equipment that kept the young, comatose GI alive.

As the elder Grady turned to settling some paperwork with the Army, he was stunned to find that the $1,200 his son had paid into the GI Bill could not be refunded to John's sister, Kerry, the legal heir.

This refund problem with the new GI Bill first became obvious when three contributors to the program were among the 37 killed on the Navy guided missile frigate Stark in the Persian Gulf.

At that time, an aide to Rep. Sonny Montgomery, D-Miss., the author of the new GI Bill, said the House Veterans Affairs Committee's heart went out to the families, but he wasn't sure what could be done. The reason: The contributions are deducted from the servicemember's paycheck, so the member's tax rate has been reduced.

The House and Senate plan hearings on the issue. And an aide to Wayne Dowdy, D-Miss., vice chairman of the House Veterans Affairs Committee, said the congressman is expected to introduce legislation to correct the refund problem later this year.

Dowdy's aides didn't know if the provision would be retroactive to the bill's beginning in July 1985. A staff member of the Senate Veterans Affairs Committee, however, said a retroactive clause seems logical.

Grady says Congress can easily correct the problem.

"It's about a 10-minute problem. All they have to do is re-enact part of the new GI Bill."

With respect to any talk that the payroll deductions have brought down a servicemember's tax rate, Grady said, "That explanation is nonsense. It absolutely makes no sense because at a young soldier's level of income the difference between his tax . . . with or without the $100 (per month) deduction . . . is going to be something like 10 and 15 dollars."

Grady believes the government should provide the full $10,800 educational benefit the money would have bought to an eligible child, spouse or brother and sister of the dead servicemember. Or at the very least, it should pay some interest on the money.

He said the new GI Bill makes detailed provision for refunding contributions to soldiers who have disabilities or hardship cases.

"And in some of these cases, these people not only get their contributions back but also get pro rata benefits . . . which are the matching funds the government pays toward an education. So what logic is there to not give it to the young soldier who's killed."

JUMPS-ARMY

LEAVE AND EARNINGS STATEMENT COPY 1-MEMBER

1-MEMBER

3 PAY GRADE	4. PERIOD COVERED
	DEC86

SUMMARY

9.AMT EBOT. + PAYD.	
10.TOTAL ENT +	
11.ALLOT COLLS -	
12.OTHER COLLS -	
13. NET EARN=	
14.MID-MO PMT -	
15.END MO PMT =	
16. AMT TO BE MADE PAYD	

COLLECTIONS

	AMOUNT

1. NAME(LAST,FIRST,MI)	2. UNIT ID CODE	CHG CAT CODE	3 PAY GRADE	4. PERIOD COVERED
GRADY JOHN M	ADDAAD		E 4	01-31DEC86

5. SOC.SEC.NO.	NET PAY DUE ⟶	505.00
514 84 8808		

SUMMARY

9.AMT EBOT. + PAYD.	36
10.TOTAL ENT +	165557
11.ALLOT COLLS -	200
12.OTHER COLLS -	80676
13. NET EARN=	84715
14.MID-MO PMT -	34200
15.END MO PMT =	50500
16. AMT TO BE MADE PAYD	15

6.ENTITLEMENTS		7.ALLOTMENT COLLECTIONS		8.OTHER COLLECTIONS	
TYPE	AMOUNT	TYPE	AMOUNT	TYPE	AMOUNT
BASIC PAY	831.66	CFC 01	2.00	SOLDIERHOM	.50
REBATE	8.10			SGLI	4.00
COLA	15.81			ADJUSTMENT	800.00
ADJUSTMENT	800.00			FICA TAX	2.26
TOTALS	1655.57		2.00		806.76

TAX INFORMATION

17 ST & FED INC THIS PERIOD	18 FED INC YEAR TO DATE	19 FED TAX THIS PD	20 FED TAX YEAR TO DATE	21 FED ADDL TAX WHERE	22 FICA WAGE THIS PD	23 FICA WAGE YEAR TO DATE	24 FICA TAX YEAR TO DATE	25 STATE CODE	26 STATE INC TAX	27 ST ADDL TAX WHERE
3166	815428	783805	1		3166	815428	58303	KST	5	1

STATE TAX

28 STATE INC CHRG YEAR TO DATE	29 STATE TAX YEAR TO DATE
815428	16455

LEAVE INFORMATION

	30 BAC LV BAL	31 LV EARN	32 LV USED	33 END LV BAL	34 LV CODE	35 LWOP	36 MONTHLY ACC CRUAL	37 TOTAL ACCRUAL	38 BALANCE DUE U.S.
	165	7.5	25	147.5					

ACCRUAL

26 MONTHLY ACC CRUAL	27 TOTAL ACCRUAL

DEBT

28 BALANCE DUE U.S.

39.

MID-MONTH CHECK NUMBER E026001591
NEXT MIDMO/EOM AMER EXPR INTL BKG CR 647197197
MAX 353.00 NEW YORK NY 10004 DIRECT DEPOSIT
ITM6D DOCUMENT 12111110015
ITM6D GI BILL ADJUSTMENT
ITM8C DOCUMENT 12111110015
ITM8C GI BILL COLLECTIONS ARE NOT TAXABLE, OVERPAID 1986
ITM8C FED AND FICA TAXES HAVE BEEN RETURNED.
861101 ABS LV CONTINUED FROM PRIOR MONTH
861202 COMP 02 YRS SVC BASIC PAY
ITM14 BSSN 6324 DOV/PR EA1 DATE 15 DEC 86
SAWLS GE165 OBEP COLA GERMANY BAVARIA
CRA-ACCRUED THIS MO: $10.20 PD THIS MO: $0.00 BAL: $40.20

FINANCE OFFICE INFORMATION

SVC	40 DISB	41 FORM CA NO	42 SSOC	43 OPTD	44 PERD	45 BASD ASE	46 YRDS	47 YRS	48 ETS DATE	49 PD NO	50 THDR ADJ LV BALANCE
C	6324	E026001591	MRN	850807	841203	850807		02	870804	EA1	

8607 8704 8607
EINSON 6
7161

8606 8606 8608 0
INS 01 PIONEER AMER INS 514808808 GRADY J M 1
PO BOX 240
WACO TX 76703
CFC 01 COMBINED FEDERAL CAMPAIGN BLANKET 740 8601 8511 8612 0
PO BOX 1157 1
COLUMBUS GA 31902 0089

STATEMENT

BY

NELSON L. FINK

LEGISLATIVE ASSISTANT

MILITARY AND GOVERNMENT RELATIONS

AIR FORCE SERGEANTS ASSOCIATION

BEFORE THE SUBCOMMITTEE

ON

EDUCATION, TRAINING AND EMPLOYMENT

OF

U.S. HOUSE OF REPRESENTATIVES

ON

H.R. 3001

AUGUST 6, 1987

Air Force Sergeants Association

INTERNATIONAL HEADQUARTERS, POST OFFICE BOX 31050, TEMPLE HILLS, MD 20748

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to present the views of the Air Force Sergeants Association, with respect to the proposal to provide a death benefit to be paid to certain survivors of participants in the Montgomery G.I. Bill who die on active duty.

The Montgomery G.I. Bill is a proven winner. We are delighted that the survivorship refund modification, suggested in our testimony on February 18, 1987, is being considered by this subcommittee.

First and foremost, we ask this subcommittee to act favorably on H.R. 3001, that would pay a refund to the surviving beneficiary in the amount the service member had contributed into the program. This modification will certainly make the Montgomery G.I. Bill more attractive to enlistees, and the refund provided to the surviving spouse would probably come when he or she may need it the most.

We would then ask this subcommittee to consider one other minor modification that would further enhance the program, which is to consider reducing the airman's monthly contribution from $100 to $60 and spread the payments out over a 20-month period. The present $100 monthly contribution represents almost 20 percent of an airman's pay after taxes, which presents a difficult decision to make within the first 14 days of entering military service.

Sir, we urge this subcommittee to consider our recommendations to further improve the Air Force participation rate in the Montgomery G.I. Bill.

The Montgomery G.I. Bill is a very potent recruiting incentive for the United States Air Force. Current recruiting statistics indicate we are attracting the

highest quality young men and women in the history of the all volunteer force, yet changing conditions in the future could jeopardize our quality recruiting efforts. The diminishing manpower pool of the 1980s is likely to continue into the 1990s, and trying to cut corners in compensation for military personnel is a risk that cannot be ignored.

This concludes my statement and, again, thank you for this opportunity to appear before this subcommittee. I am prepared to respond to any questions you or your distinguished colleagues wish to ask.

ASSOCIATION OF THE UNITED STATES ARMY

2425 WILSON BOULEVARD, ARLINGTON, VIRGINIA 22201-3385 (703) 841-4300

STATEMENT OF

MAJOR GENERAL ROBERT F. COCKLIN, AUS RET.

EXECUTIVE VICE PRESIDENT

ASSOCIATION OF THE UNITED STATES ARMY

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE VETERANS' AFFAIRS COMMITTEE

6 August 1987

STATEMENT TO THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE VETERANS' AFFAIRS COMMITTEE

6 August 1987

Mr. Chairman, members of this subcommittee. I am Major General Robert F. Cocklin, Executive Vice President of the Association of the United States Army. Thank you for the opportunity to present the views of our 172,000 members to this subcommittee.

The issue of a death benefit -- as a part of the Montgomery GI Bill -- is an important and essential element in this educational assistance package for the men and women who volunteer to serve their country in our armed forces. For this reason, we are pleased that H.R. 3001 has been introduced to amend Title 38 of the U.S. Code to correct this ommission in the present law.

The benefits of the GI Bill to the government, the Army, the youth of our country, and our colleges and universities were recognized when this legislation, providing the armed services a permanent educational benefit and readjustment tool, received overwhelming approval by both Houses of the 100th Congress and was signed into law by the President.

Since the Law's implementation in July 1985, the number of enrollees in all Services, continues to increase. This widespread acceptance by those the Law benefits is certain evidence that its provisions are not lost on those who volunteer to serve.

But service in the armed forces of our country has always been a hazardous business. In both peacetime and wartime the personal expectations and goals of some who serve fall short of full realization because of death <u>while on active duty.</u>

For these, death has occurred in war zones, in training areas in NATO Europe, along Korea's DMZ, and even on public highways here at home.

For 208 GI Bill enrollees, in the first 21 months since the law became effective, death smothered all further hopes and dreams of continued military service and later productivity in America's private sector.

For a nominal amount, the Administrator of the Veterans Administration could pay a death benefit, in the form of a stipend, equal to the amount of base pay reduced to guarantee enrollment in the GI Bill. No economy is served by denying these minimal amounts to beneficiaries or survivors grieving the loss of a loved one who died while serving on active duty in the armed forces of our country.

For equality and humanitarian reasons, the Association of the United States Army supports prompt enactment of this Amendment to correct a present inequity.

NATIONAL ASSOCIATION FOR UNIFORMED SERVICES
5535 HEMPSTEAD WAY
SPRINGFIELD, VIRGINIA 22151-4094
TEL. (703) 750-1342

"The Servicemember's Voice in Government"
Established 1968

Statement of
Colonel Charles C. Partridge
Legislative Counsel
The National Association for Uniformed Services

Before the
Subcommittee on Education, Training, and Employment
Committee on Veterans Affairs

HR 3001, to amend Title 38, United States Code,
with respect to the Montgomery G. I. Bill

Mr. Chairman, and members of this distinguished panel, I welcome the opportunity to present the views of the National Association for Uniformed Services on the initiative to provide a death benefit to certain survivors of participants in the Montgomery G. I. Bill.

The National Association for Uniformed Services' (NAUS) membership represents all grades and ranks of career and non-career service personnel and their spouses and widows. Our membership includes active, retired, and reserve personnel of all seven uniformed services: Army, Navy, Air Force, Marines, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. With such membership, we are able to draw information from a broad base for our legislative activities.

We whole-heartedly support HR 3001 as a thoughtful and equitable means to ensure that the survivors of G. I. Bill participants do not suffer economic loss as a result of the servicemember's participation in the program.

The Montgomery G. I. Bill attracts to the Armed Forces the nation's most ambitious, public spirited, and dedicated young men and women. These outstanding young people set the pace and provide a spark of leadership throughout the ranks in their units. They are the members of the Armed Forces most likely to complete their enlistments; they learn quickly, and demonstrate high standards of discipline and skill in carrying out their duties. In short, they more than earn their pay and pay their dues.

To participate in the Montgomery G. I. Bill program, they give up $100 per month for 12 months, or over 10% of their military pay. This Committee and NAUS and other associations opposed the contributory feature of the G. I. Bill and we continue to do so. We expect that it will be changed. In the meantime, we support and commend your efforts to ensure that members of the Armed Forces and their surviving family members are equitably and fairly treated.

STATEMENT BY

W. GENE SIZEMORE

EXECUTIVE DIRECTOR

NAVY LEAGUE OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

DEATH BENEFITS TO BE PAID TO

CERTAIN SURVIVORS OF PARTICIPANTS IN GI BILL

AUGUST 6, 1987

Mr. Chairman and Members of the Committee:

I welcome the opportunity to appear before you in support of H.R. 3001, a bill which would provide a death benefit to be paid to certain survivors of participants in the Montgomery GI Bill who die on active duty. I am here today as a representative of more than 60,000 American citizens dedicated to the support of a strong military which depends on the availability and recruitment of young American men and women. I would like to point out that, unlike many other military support organizations, none of our members is on active duty with any branch of the armed services, nor is the Navy League an organization restricted to retired or former members of the military. More than 50% of our members have never served in the military services. Primarily, we are ordinary citizens from all walks of life who are dedicated to supporting a strong, viable Navy, Marine Corps, Coast Guard and merchant marine. Our objective is education and motivation -- to awaken interest, to encourage cooperation and to support all matters which aid and improve our maritime capabilities.

The Navy League of the United States is proud to have been one of the many supporters testifying on behalf of the military services to make permanent the Montgomery GI Bill. It is our honor to support H.R. 3001 which, if enacted, permits certain survivors of military personnel who die on active duty to receive a death benefit from the educational funds accrued.

I would like to read to you from the 1987-88 Navy League Resolutions adopted by our membership in April 1987 at the National Convention held here in Washington, D.C.

"Recognizing that the GI Bill plays an important role in the personal excellence program with educational benefits for military personnel, the Navy League of the United States fully endorses retention of this valuable benefit which serves as a recruitment incentive as well as a transitional vehicle to civilian employment."

Military personnel who participate in the GI Bill have $100 per month for twelve months deducted from their pay, which is a significant percentage of their income. Of course, this provides them a tremendous financial assist later when they return to school. Many young servicemen and women throughout the Navy, Marine Corps and Coast Guard participate in this program even though it often adds to their financial burdens, particularly when they have dependents. With the passing of H.R. 3001, should a serviceman or woman die on active duty who has participated in the program, his or her survivors will receive those moneys which were being held for later use. The money should not be absorbed by the Federal Government as it rightly belongs to the surviving families.

Unfortunately, there have already been cases where service members who were participating in the New GI Bill have died on active duty. For example, of the 37 members killed aboard the USS Stark on May 17th, a number were enrolled in the GI Bill. It is only right that their survivors receive those funds which their servicemen saved and certainly must be badly needed after such a tragedy.

Thank you for letting me appear on behalf of my members. I stand ready for your questions.

NATIONAL CAPITAL OFFICE
225 ~~219~~ N. Washington Street • Alexandria, VA 22314 • Tele (703) 549-0311

THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

Statement of

Richard W. Johnson, Jr.
Director of Legislative Affairs

before the

Subcommittee on Education, Training and Employment
Committee on Veterans' Affairs

on

H.R. 3001

August 6, 1987

Thank you for inviting comments from the Non Commissioned Officers Association of the USA (NCOA) on H.R. 3001, a bill which would provide a death benefit for survivors of participants in the Montgomery G.I. Bill. Under the provisions of the bill, a death gratuity equal to the amount of pay forfeited by a servicemember who participated in the Montgomery G.I. Bill, and who died in service, would be paid to his or her survivor.

NCOA is pleased to offer its wholehearted support to the proposal. While NCOA still does not favor any pay forfeiture for participation in the Montgomery G.I. Bill, the association believes this measure corrects a most serious inequity in veteran's programs.

Current law provides education benefits to the surviving spouse and children of any servicemember who dies on active duty. However, the survivors of participants in the Montgomery G.I. Bill, in effect, will have paid up to $1,200 for those benefits. This is fundamentally unfair and inconsistent treatment of survivors. By the same token, the survivor of a veteran who dies from a service connected cause after leaving service becomes eligible for the same survivor education benefits. Accordingly, NCOA believes it would be appropriate to authorize the payment of this death benefit to such survivors. A simple amendment on line 8 of the bill adding the words "or whose death after separation from service was from a service connected cause," after "death," would accomplish this change. This would provide equitable treatment for the survivors of disabled servicemembers who are discharged to Veterans Administration care prior to death.

NCOA extends its sincere thanks to the committee for its efforts on this most timely issue.

-end-

The Statement of

DAVID J. PASSAMANECK

AMVETS National Legislative Director

Before The

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

U. S. HOUSE OF REPRESENTATIVES

On

H. R. 3001, a bill which would provide
a death benefit to be paid to certain survivors
of participants in the Montgomery GI Bill
who die on active duty

9:30 a.m., August 6, 1987

Room - 334, Cannon House Office Building

AMVETS is pleased to present our views on H.R. 3001, which would provide a death benefit equivalent to the amount of military basic pay withheld under the Montgomery GI Bill and not used on account of the active duty death of the participating member. Payments, under this measure, would be made to the designated beneficiaries under the member's SGLI policy, a surviving spouse, surviving children or surviving parents in that order of priority.

AMVETS was proud to take the lead in supporting the Montgomery GI Bill, which we consider to be one of the most historically significant contributions to the achievement of a volunteer military force and the most valuable new veterans' entitlement since the end of the Vietnam War. We would support a right of survivorship under the Montgomery GI Bill for the underlying purpose of the program, which we understand to be education. We do not subscribe to the transformation of such survivorship into a supplementary life insurance program.

The guidelines set forth in Chapter 35 of Title 38 United States Code, particularly in Section 1701, should provide comparable criteria for entitlement to recovery of a member's contribution to the Montgomery GI Bill program, as a supplement to the educational benefits provided. We specifically support use of the funds thus made available to the survivors of 100% service-connected disabled veterans and those missing in action or held prisoner in accordance with Section 1701 of Title 38 United States Code. Paying the unredeemed contribution to the Montgomery GI Bill program to parents of a deceased member would appear to be beyond the intended scope of the program.

In addition to the eligibility criteria set forth in Chapter 35 of Title 38 United States Code, we would favor payment of a veteran's unredeemed contribution to the Montgomery GI Bill program to survivors for educational purposes if the veteran dies during the period of eligibility.

Mr. Chairman, AMVETS appreciates the motivation behind this proposed legislation, and, with the suggested modifications, will be pleased to support it.

STATEMENT OF

GORDON R. THORSON, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

H.R. 3001, AN AMENDMENT TO TITLE 38, UNITED STATES CODE,
WITH RESPECT TO THE "MONTGOMERY GI BILL"

WASHINGTON, D. C. AUGUST 6, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

The Veterans of Foreign Wars is always ready to provide the Congress with the viewpoint of the over 2.7 million members of our proud organization and its Ladies Auxiliary. Today's hearing is scheduled to consider a bill that is intended to perfect the "Montgomery GI Bill" and we are pleased and gratified to be provided an opportunity to participate in refining this outstanding veteran's educational program.

H.R. 3001 was introduced by Chairman Dowdy and is aimed at rectifying a small inequity currently not covered in Public Law 100-48. The language currently used to set forth the details of this valuable educational program does not provide a reimbursement provision in the event of a participant's death. This bill would change the law to allow reimbursement in the case of the untimely death of a program participant, if death occurs prior to the actual receipt of educational assistance payments.

Under this program a service person contributes part of his monthly basic pay. This reduction in pay continues for one full year. Once the participant has finished his service obligation, he then becomes eligible to receive expanded educational benefit monies far above his original investment. This bill would allow payment to the deceased participant's beneficiaries an amount of money equal to that which the serviceman had earlier placed into his educational investment account. This refund or "death benefit" seems only reasonable considering the origin of the funds and the tragedy of death.

Remember that this refinement would not affect the federal government budget. The money that would be returned to a participant's family under this provision was previously earned by the serviceman and held as a result of an agreement between the participant and the government--the participant agreed to serve his country and allow for a reduction in his basic pay while the federal government agreed to provide an educational benefit to the serviceman upon completion of this agreement. When death occurs the agreement is declared void and it is not unreasonable to expect that the money set aside by the program participant be returned to his rightful beneficiary, as the education benefit will not be provided by the federal government.

The Veterans of Foreign Wars is on record in full support of the "Montgomery GI Bill." The small change offered by H.R. 3001 can only serve to "fine tune" and improve this educational benefit. The Veterans of Foreign Wars must compliment Chairman Dowdy for introducing this legislation and for holding this hearing, we give our support to H.R. 3001.

Thank you for introducing this legislation and know that it enjoys VFW support.

Thank you.

The American Legion
For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

August 4, 1987

Honorable Wayne Dowdy, Chairman
House Veterans Affairs Subcommittee on
Education, Training and Employment
335 Cannon House Office Building
Washington, DC 20515

Dear Mr. Chairman:

We have enclosed several copies of a statement regarding H.R. 3001, a bill to provide a death benefit for certain survivors of participants in the Montgomery GI Bill.

We request that this statement prepared by Rodney S. Kirk, Assistant Director of our National Veterans Affairs and Rehabilitation Commission, be made part of the record of the hearing scheduled for August 6. We appreciate your compliance with this request.

Sincerely,

E. Philip Riggin, Director
National Legislative Commission

Enclosures

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

RODNEY S. KIRK, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION

to

THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U. S. HOUSE OF REPRESENTATIVES

on

H.R. 3001

August 6, 1987

STATEMENT OF RODNEY S. KIRK, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
TO THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U. S. HOUSE OF REPRESENTATIVES

August 6, 1987

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates this opportunity to comment on H.R. 3001, a bill which would provide a death benefit to be paid to certain survivors of participants in the Montgomery GI Bill educational assistance program who die while on active duty.

The American Legion commends this Subcommittee for addressing this issue in such a timely manner. As we prepare for our National Convention, we have received several resolutions from our State Organizations recommending action be taken in this regard. Although these resolutions have not yet been considered by the Delegates to our National Convention and our organization has no official mandate pertaining to this specific topic, it certainly will be a matter of discussion during our convention later this month.

It is our understanding that more than 2,000 members of the Armed Forces have been accidentally killed each year for the past five years. When considering the current participation rate in the GI Bill program, it is clear that there are thousands of survivors annually who are denied the full estates of their deceased service persons. We also understand that earlier versions of contributory educational assistance programs provided for a refund of contributions in the event of the service member's death.

In view of these considerations, we believe it is appropriate that the recently-enacted Montgomery GI Bill be amended to include a death benefit provision, as proposed in H.R. 3001.

Reserve Officers Association of the United States

THE PROFESSIONAL ASSOCIATION REPRESENTING ALL MILITARY OFFICERS
ARMY ★ NAVY ★ AIR FORCE ★ MARINE CORPS ★ COAST GUARD ★ PUBLIC HEALTH SERVICE ★ NOAA

6 August 1987

Representative Wayne Dowdy
Chairman
Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter of 24 July 1987, giving the Reserve Officers Association the opportunity to express its views regarding HR 3001, a bill which would provide a death benefit to be paid to certain survivors of participants in the Montgomery GI Bill who died on active duty. Attached is a copy of our testimony which I would appreciate having included in the hearing record.

Sincerely,

Evan L. Hultman
Major General, AUS (Ret.)
Executive Director

ELH:alb

ONE CONSTITUTION AVENUE, N.E., WASHINGTON, D.C. 20002-5624 ★ TELEPHONE (202) 479-2200

Statement of

Major General Evan L. Hultman, AUS (Ret.)

Executive Director

Reserve Officers Association of the United States

For the

Subcommittee on Education, Training, and Employment
Committee on Veterans Affairs

HR 3001, to amend Title 38, United States Code,
with respect to the Montgomery G. I. Bill

August 6, 1987

Mr. Chairman and Members of the Committee:

The Reserve Officers Association (ROA) appreciates being provided this opportunity to comment on HR 3001, a bill which would provide a death benefit to be paid to certain survivors of participants in the Montgomery GI Bill who died on active duty.

As this Committee knows, three years ago ROA worked with many of you in support of the new GI BIll. Earlier this year we again worked with you in support of legislation to make that new GI Bill test program permanent legislation. We were most gratified to see the Congress enact and the President sign into law HR 1085 which provided for this permanent entitlement.

The new GI Bill, now appropriately known as the Montgomery GI Bill, is having a positive impact on the quality of recruits entering both the active and reserve forces. However, certain minor shortcomings are becoming evident which deserve legislative attention. One of them is being addressed by the legislation, HR 3001, currently being considered by the Committee. ROA believes that, in the event of the death of an individual who is serving on active duty at the time of death and his basic pay had been reduced by enrollment in the Montgomery GI BIll and who had not received any educational benefits under the program, a death benefit in the amount of the basic pay reduction should be paid to that individual's survivors. We would also like to see the Montgomery GI Bill improved by permitting it to be used by Reservists for post-graduate educational purposes and to recognize on-the-job training, correspondence schools, and apprenticeships as authorized programs under this educational entitlement.

Thus, while we wholeheartedly support the worthy objective of HR 3001, we believe that there are other legislative improvements which should also be considered and which we hope the Committee will add in any legislation reported out for consideration by the full House of Representatives.

At the Reserve Officers Association National Convention, July 1987, the membership endorsed the need for legislative improvements mentioned above. A copy of that resolution is attached.

Your continued support of the men and women who are wearing and have worn the uniform of our country, both active and reserve, is deeply appreciated. Thank you for the opportunity to present ROA's views.

Resolution No. 87-22
(Military Compensation/Benefits)

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

The New GI Bill

WHEREAS, the FY85 Defense Authorization Act (PL98-525) provided for establishment of a new educational assistance test program effective through 30 June 1988 for Active and Reserve Components; and

WHEREAS, the President has signed into law HR 1035 (PL 100-48) which makes permanent the New GI Bill entitlement; and

WHEREAS, this permanent legislation does not permit Reservists to use the GI Bill for post graduate training which would be an incentive to attract and retain college graduates into Reserve programs; and

WHEREAS, the New GI Bill legislation contains no provisions permitting a refund of the member's cost even if the service member, due to death or other cogent reasons, is unable to use the benefit (applicable only to the Active Component); and

WHEREAS, on-the-job training, correspondence schools, and apprenticeships are not authorized training courses under the New GI Bill;

NOW, THEREFORE, BE IT RESOLVED, that the Reserve Officers Association of the United States, chartered by Congress, urge the Congress to make such legislative improvements as are required to permit the New GI Bill to be used by Reservists for post-graduate educational purposes, to permit the refund of the contribution in the event of death or other qualifying reasons, and to recognize on-the-job training, correspondence schools, and apprenticeships as authorized programs under the New GI Bill.

(This supersedes Resolution No. 86-6)

Adopted by the National Convention
4 July 1987

Attest: Evan L. Hultman
Evan L. Hultman
Major General, AUS (Ret.)
Executive Director

THE
RETIRED
OFFICERS
ASSOCIATION
201 N. Washington St., Alexandria, VA 22314-2529 • (703) 549-2311

August 3, 1987

The Honorable Wayne Dowdy, Chairman
Subcommittee on Education, Training and Employment
House Veterans Affairs Committee
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter of July 24 inviting a representative of this association to provide our views on H.R. 3001. That measure would provide benefits to the survivors of participants in the Montgomery G.I. Bill program.

Upon review of the Bill (H.R. 3001), this association strongly supports favorable consideration of this proposed legislation. The provisions of this measure would enhance an already excellent program.

Our association respectfully requests that the enclosed statement in support of H.R. 3001 be included in the report of the hearings to be held on August 6, 1987.

Sincerely,

GEORGE F. HENNRIKUS, JR.
Colonel, USAF, Retired
Director, Legislative Affairs

GFH:bl

THE
RETIRED
OFFICERS
ASSOCIATION
201 N. Washington St., Alexandria, VA 22314-2529 • (703) 549-2311

Mr. Chairman and members of the Committee:

This Statement is in support of the bill (H.R. 3001) by The Retired Officers Association (TROA) which has its national headquarters at 201 North Washington Street, Alexandria, Virginia. Our Association has a membership of over 353,000 retired, reserve, former and active duty officers of the seven uniformed services. Included in our membership are 46,000 widows of former members.

We want to thank the Committee for allowing us the opportunity to provide this statement in support for the passage of H.R. 3001, a bill introduced by Mr. Dowdy, the distinguished chairman of the Subcommittee on Education, Training and Employment.

This bill (H.R. 3001) would provide a death benefit to the survivors of those individuals who participated in the Montgomery G.I. Bill program and whose death may occur prior to receiving any benefits from that program.

The Montgomery G.I. Bill has been demonstrated to be a most cost-effective method to attract high quality young men and women to serve in our Armed Forces. It provides thousands of young men an opportunity to gain a post-secondary education which may not otherwise be available to them.

The bill (H.R. 3001) currently under consideration, would enhance that already excellent program by providing the survivors of participants in the Montgomery G.I. Bill program a benefit in the amount of dollars equal to the reductions in the servicemembers' military pay in order to establish eligibility for the program. This measure will remove one possible concern that might otherwise cause a potential participant not to enroll in the program.

The members of The Retired Officers Associaion strongly urge the favorable consideration of H.R. 3001 and commend the chairman, Mr. Dowdy, for his continuing efforts to support and enhance our national defense posture by making improvements to the Montgomery G.I. Bill program.

8/6/87